

FBIS**DAILY REPORT
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HONGQI EXAMINES 5 PRINCIPLES OF FOREIGN POLICY

OW160104 Beijing XINHUA in English 0030 GMT 16 Jul 84

[Text] Beijing, July 16 (XINHUA) -- "History shows that the five principles of peaceful coexistence initiated by China and Burma thirty years ago are as viable as ever today," says an article on the current issue of the fortnightly RED FLAG.

The article, signed by Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, says that the five principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence reflect the aspirations of the Chinese people and the people of the world and have met the requirements of this changing world.

"Developments in the past thirty years have proved that the five principles can apply not only to countries with different social systems but also to countries with the same social systems. When these principles are observed, countries with different social systems can enter into friendly cooperation with each other, and violation of these principles has led to conflicts among countries even with the same social systems," the article says.

It says that the five principles have come to be one of the basic state policies guiding China's diplomacy.

Sovereignty and territorial integrity are the symbols of a country's independence, the article says, and mutual respect for sovereignty and territorial integrity, non-aggression and non-interference in each other's internal affairs are essential conditions for the preservation of this independence as well as the gist of the five principles.

It says that China values her independence and respects independence of other countries. In line with the five principles, China has established diplomatic relations with 129 countries and solved problems left over by history with a number of its neighbors and developed good-neighborly relations with them. The article stresses China's support for all oppressed nations in their just struggle for independence. "It is our international duty," it says.

As to conflicts for historical reasons between Third World countries, the article says, China has all along expressed the hope that these countries would do away with whatever foreign interference there is and seek a reasonable solution by the peaceful means of negotiation and in the spirit of mutual understanding and mutual accommodation.

The article points out that the main threat to the five principles come from the hegemonists. Therefore, in order to safeguard world peace and the security of every country, we must firmly oppose hegemonism.

The Chinese people have learnt from their historical experience that if we fail to wage a tit-for-tat struggle against the machinations of the hegemonists, there will be no end to trouble in the future and that to enter into alliance with big powers will hinder our efforts to resist and oppose acts of hegemonism or would even bring about the danger to reduce us to a pawn on some big powers' chessboard.

The article goes on to say that peaceful coexistence between various countries should lead to steadily growing economic cooperation among them on the basis of equality and mutual benefit.

China, it says, has been on good terms with other developing countries on the basis of equality and mutual benefit. "We have given them whatever assistance is within our power, with no strings attached," it says. "We do not see such assistance as one-way grants; instead, we have always regarded this assistance as reciprocal," the article states. It recalls that Premier Zhao Ziyang has laid down four principles for this assistance, namely, "equality and mutual benefit, stress on practical results, diversity in form, and common progress." Assistance should be given to increase the capacity for self-reliance of the recipient country and to promote economic development of nations, it says.

Turning to "South-South cooperation" -- cooperation among the developing countries themselves, the article suggests that consideration be given to the varied interests and needs of these countries, so that each participant can best profit from the cooperation, and that those least developed countries be given special help to tackle their particular difficulties.

China, it continues, is perfectly willing to enter into closer and more stable economic and technological cooperation with the developing countries. "There is tremendous potential for this cooperation, as the developed countries possess the needed capital and sophisticated technology, while China has abundant resources and a vast market. The key to this cooperation is for both sides to scrupulously observe the principle of equality and mutual benefit for their common prosperity.

It points out that international economic cooperation has been seriously impeded by the present inequitable and irrational world economic order in which the poorer countries are being squeezed by the richer ones. China's position is that this economic order should be reshaped to conform to the principle of equality and mutual benefit. Such reform, once carried out, will promote the economic growth of the developing countries as well as the economic renewal of the developed countries.

To achieve peaceful co-existence of nations, the article says, the last but not the least thing to do is to oppose the arms race and lessen the danger of another world war. The trouble that worries the people most now is the spiralling armament race between the two superpowers, and their nuclear armament rivalry in Europe in particular.

China believes that the most pressing problem today is to have the Soviet Union and the United States end their deployment of new nuclear weapons in Europe and the rest of the world and resume their talks for a sharp reduction of these arms. After they stop testing, producing and improving nuclear weapons and reach agreement on a drastic reduction of nuclear arms, an international conference with broad representation should be held to discuss nuclear arms reduction by all nuclear-countries. And then, China itself will fulfill whatever obligations required of it under relevant international agreements on nuclear disarmament.

The article reiterates China's hope that the two superpowers would not only end their arms race, but take additional steps to ease their relations as well. "China is willing to join other countries in making fresh efforts for the relaxation of world tension, including the tension between the superpowers."

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PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

XUE MUQIAO MEETS PRINCETON UNIVERSITY PROFESSOR

OW131734 Beijing XINHUA in English 1435 GMT 13 Jul 84

[Text] Beijing, July 13 (XINHUA) -- Economist Xue Muqiao, director general of the Economic Research Center of the State Council, this afternoon met Gregory C. Chow, professor of politico-economics at Princeton University.

SIDWELL STUDENTS MEET SHANGHAI MAYOR WANG DAOHAN

OW151726 Beijing XINHUA in English 1640 GMT 15 Jul 84

[Text] Shanghai, July 15 (XINHUA) -- How to run a large city like Shanghai? How is its mayor to be chosen and how long his term lasts? These are some of the questions raised by a group of American students and teachers to Mayor of Shanghai Wang Daohan at a meeting with him today.

These students and teachers from Sidwell Friends School in Washington are visiting China as guests of Premier Zhao Ziyang, who called at their school during his visit to the U.S. last January.

When asked by a 17-year-old student named William Patrick what was the biggest problem he is facing as the mayor, Wang listed population and housing, for Shanghai has an urban population of 6.5 million, in addition to five million more living in its suburbs.

They all needed housing and food, and the government had to take care of all this, he said, adding that like all big cities his city also has the problem of housing, transport and pollution.

In answering the question posed by Headmaster Earl Harrison as what the mayor found most satisfying, Wang replied that he was satisfied with the cooperation of the youth and people of the city with his government. "They frankly point out our shortcomings, and we rely on them to do our job well," he said. After their meeting, Wang presented a badge of the city to visitors. The visitors had a get-together with some 500 youth from the city this evening.

The American students and teachers arrived here after touring Beijing, Xian, Chongqing, and Nanjing. They will leave for home tomorrow.

WANG BINGNAN MEETS SOVIET ECONOMISTS 12 JULY

OW160126 Beijing in Russian to the USSR 1800 GMT 12 Jul 84

[Text] On the morning of 12 July, Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, met with the members of the specialized tourist group of activists of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the Soviet-Chinese Friendship Society -- specialists in urban economics -- headed by Budantsev. They had a warm and friendly talk.

Present at the meeting were Wang Fulin, vice president of the Chinese People's Association for Friendship With Foreign Countries, as well as Fedotov, charge d'affaires ad interim of the USSR Embassy in China.

SOVIET-CHINESE AMITY GROUP VICE CHAIRMAN DIES

OW110234 Beijing XINHUA in English 0223 GMT 11 Jul 84

[Text] Moscow, July 10 (XINHUA) -- Chinese Ambassador to the Soviet Union Yang Shouzheng paid last respects to A.I. Cherepanov, [name as received] vice-chairman of the Soviet-Chinese Friendship Society, at the General Army Hospital here today.

Cherepanov died on July 5 at the age of 88. He had served as advisor for the Chinese National Revolutionary Army led by Sun Yat-sen in 1923, and later as advisor at the Huangpu (Whampoa) Military Academy.

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PR C I N T E R N A T I O N A L A F F A I R S
NORTHEAST ASIA

D 1

JAPANESE DELEGATION HOLDS TEA CEREMONY 13 JUL

Wang Zhen Attends

OW131627 Beijing XINHUA in English 1607 GMT 13 Jul 84

[Text] Beijing, July 13 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, joined some 1,000 Chinese and Japanese here today at a tea ceremony given by teamaster Soshitsu Sen.

Sen, who is head of the "Wurashenke" school of the tea ceremony, earlier visited China a number of times meeting Deng Xiaoping, Li Xiannian, Deng Yingchao and Wang Zhen. He is currently leading a 482-member delegation.

Also present at today's tea ceremony were Zhu Muzhi, minister of culture; Xia Yan, president of the China-Japan Friendship Association; and Han Kehua, director-general of the National Tourism Administration. The Japanese delegation this evening held a banquet in honor of Wang Zhen and others.

Ulanhu Meets Tea Master

OW141759 Beijing XINHUA in English 1450 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- Chinese Vice-President Ulanhu today met Soshitsu Sen, a Japanese tea making master who is leading a 480-member friendship delegation to China.

Ulanhu said that since the normalization of diplomatic relations between China and Japan, friendship between them has been growing year by year. The most important thing to a lasting friendship is to make more contacts, know each other better and make more friends, he added.

Sen, head of a special school of the tea ceremony, said that the tea ceremony originated in China. He felt gratified to vist the home of tea-making for a sixth time.

JAPAN'S ABE ENDS SOUTH KOREA VISIT 9 JUL

OW091833 Beijing XINHUA in English 1636 GMT 9 Jul 84

[Text] Tokyo, July 9 (XINHUA) -- Japanese Foreign Minister Shintaro Abe ended his three-day visit to South Korea and returned here this afternoon.

During his visit, Abe had talks with Chon Tu-hwan and Yi Bom-sok. The two sides had identical views on issues including Chon Tu-hwan's visit to Japan by this fall at the invitation of the Japanese Government, the bilateral trade and technological cooperation, according to well-informed sources. South Korea asked Japan for transfer of advanced tecnologies and the improvement of the status of Koreans living in Japan. But Abe said that it is difficult to do this.

Japanese opposition parties opposed the government invitation to Chon Tu-hwan, saying that the government should not invite Chon Tu-hwan to Japan while remaining hostile to the Democratic People's Republic of Korea.

Japan should seize the opportunity of the proposed triple-talks to make efforts to ease tension on the Korean peninsula and for promoting the peaceful reunification of Korea, they said.

During his visit Abe visited Panmunjon, which is situated at the demilitarized zone. Former Foreign Minister Sunao Sonoda paid a visit to Panmunjon in September, 1981.

MPR LEADER ON PRC 'HOSTILE ACTIONS' AGAINST SRV

OW160648 Beijing XINHUA in English 0637 GMT 16 Jul 84

[Text] Ulaanbaatar, July 14 (XINHUA) -- Yumjaagiyn Tsedenbal, general secretary of the Central Committee of the Mongolian People's Party and president of the Presidium of the Great People's Hural, today accused China of "performing hostile actions" against Vietnam, Laos and Kampuchea.

He made the accusation during a meeting with a Vietnamese party and government delegation led by Truong Chinh, member of the Political Bureau of the Central Committee of the Communist Party of Vietnam and president of the Council of State.

While attacking China, the Mongolian leader expressed appreciation of the "efforts" by Vietnam "to consolidate peace and security in Southeast Asia and create an atmosphere of trust and stability in the area."

Truong Chinh, in response, told his host that Vietnam is determined to strengthen the alliance with Laos and Kampuchea. The Vietnamese delegation arrived here today for an official friendly visit to Mongolia.

FUZHOU PLA GROUP ENDS DPRK VISIT 14 JUL

OW140826 Beijing XINHUA in English 0803 GMT 14 Jul 84

[Text] Pyongyang, July 14 (XINHUA) -- A Chinese Army visiting group headed by Commander of the Fuzhou Military Area Jiang Yonghui ended its visit and left here for home today.

During its visit, the group was received by Minister of the Korean People's Armed Forces General O Chin-u. The Korean general praised the exchange of visits by leaders of the two countries in the past few years. He expressed the belief that the friendship between the two countries will be further consolidated.

The Chinese Army visiting group arrived here on June 29 at the invitation of the Ministry of People's Armed Forces of Korea.

SHANGHAI FRIENDSHIP GROUP ENDS DPRK VISIT

OW141036 Beijing XINHUA in English 0903 14 Jul 84

[Text] Pyongyang, July 14 (XINHUA) -- The Shanghai friendship delegation led by Sun Guizhang, member of the Shanghai Municipal Standing Committee of the Chinese Communist Party, left here for home today after ending its friendly visit to Korea.

The delegation arrived in Korea on July 6 at the invitation of the People's Committee of Hamhung. They paid a visit to Premier Zhou Enlai's bronze statue, went to the Yongsong machine complex, the February 8 vinylon complex and the Hamhung Art College. They held talks with leaders of the People's Committee of Hamhung on the friendly visits and exchanges between their two friendly cities.

Yi Kil-song, secretary of the South Hamgyong Committee of the Korean Workers' Party, and Yi Song-yong, chairman of the Hamhung People's Committee, separately met with and hosted banquets in honor of the delegation. The delegation also visited Pyongyang and Kaesong.

WPK CENTRAL COMMITTEE HOLDS PLENARY MEETING

OW110751 Beijing XINHUA Domestic Service in Chinese 1642 GMT 10 Jul 84

[Text] Pyongyang, 10 Jul (XINHUA) -- According to newspapers here, the Ninth Plenary Meeting of the Sixth Central Committee of the Workers Party of Korea was held in Chongjin from 6 to 9 July. It was chaired by Comrade Kim Il-song, general secretary of the WPK Central Committee.

The plenary meeting's agenda included: 1) Discussing the results of the DPRK party and state delegation's visit to the USSR and other socialist countries in Europe; 2) discussing the issue of organization. Comrade Kim Il-song made a report on the first topic of discussion on the agenda.

According to a communique issued by the plenary meeting and published by NODONG SINMUN today, a Korean party and state delegation headed by Comrade Kim Il-song paid an official and goodwill visit to the Soviet Union, Poland, the German Democratic Republic, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, and Romania for the purpose of strengthening the friendship and solidarity and further expanding and developing exchange and cooperation with these countries. The plenary meeting summed up the tremendous success achieved by the delegation, and earnestly discussed the future tasks arising in the execution of the party's foreign policy. The meeting highly assessed and expressed complete satisfaction over the great achievements accomplished during the visit. The plenary meeting fully supported Comrade Kim Il-song's report. Comrade Kim Il-song made an important concluding speech.

According to the communique, the official and goodwill visit was "a great event, which has contributed tremendously to the strengthening of international support for our country's revolution, to safeguarding world peace and security as well as to winning victories in the struggle for socialist and communist causes."

The communique says: "The plenary meeting pointed out: Mankind's most pressing problem at present is the prevention of a new world war and the defense of peace." "Because of the imperialists' adventurous aggression and war activities, the international situation today is extremely tense, and the danger of new world war is increasing."

"To alleviate international tension and eliminate the danger of war, it is necessary to stop the nuclear arms race, achieve all-out, complete disarmament, and establish in various parts of the world nuclear-free zones and peace zones, and exert constant efforts to expand these zones."

The communique points out: "Although the world situation is tense and the danger of nuclear war is great today, war is absolutely not inevitable."

On the situation in the Korean peninsula and Asia, the communique says: "U.S. imperialists have delivered large amounts of nuclear weapons and other homicidal weapons to South Korea and its peripheral regions, constantly carried out military provocations against the northern half of the republic, and, for the last part of their operation, intensified the building of a new, NATO-type military bloc -- a triangular military alliance of the United States, Japan and South Korea." "The plenary meeting maintains that the most pressing problem now is to try to relax tension on the Korean peninsula and eliminate the danger of war." "The most important and most pressing task before the people of our country today is to put an end to national division and achieve reunification of the fatherland." The communique calls on the United States and the South Korean authorities to respond at an early date to the call of the DPRK Government for tripartite talks.

The plenary meeting stressed that it is necessary to actively promote foreign activities; strengthen solidarity with all socialist countries, and actively promote friendly relations and cooperation with them; develop state relations with all nonaligned countries and promote cooperation with them in the political, economic and cultural spheres so as to further expand and develop the Nonaligned Movement; continue to adhere to the principled stand of the party and the government on developing good neighborly and friendly relations with all countries in the world that respect our sovereignty, oppose war and love peace; strengthen and develop ties, contacts and cooperation with the communist parties, workers parties, socialist parties and social democratic parties of capitalist countries, the ruling parties of Third World countries, and all progressive political parties, social groups and revolutionary organizations throughout the world.

The plenary meeting also points out that "socialist economic construction is an important revolutionary task confronting the political party of the working class, which has seized political power. The superiority of socialism must be fully manifested in all areas, and socialism should also triumph over capitalism in the sphere of economic construction. Only by doing a good job in socialist economic construction, developing productivity to the fullest extent, and improving the people's material and cultural well-being can the superiority of socialism be fully manifested and can socialism and communism be successfully built."

The plenary meeting points out that it is necessary to continue to fully implement the three great revolutionary lines and achieve new progress in the historic task of transforming nature, society and mankind the communist way. The plenary meeting adopted a related resolution on the first topic of discussion of the agenda. After discussing the issue of organization, the plenary meeting elected several new Central Committee members and alternate members.

NEWSLETTER RECOUNTS BATTLE WITH SRV IN YUNNAN

HK140824 Beijing XINHUA Hong Kong Service in Chinese 1538 GMT 13 Jul 84

[Newsletter: "The Territory of Our Motherland Is Not To Be Invaded -- The Red Flag Is Planted on the Main Peak of Zheyin Shan"]

[Text] Kunming, 13 Jul (XINHUA) -- On the battlefield heavy with gunsmoke, all PLA fighters cherish a special feeling toward the five-star red flag. They are all proud and feel honored to be holders of the red flag. During a battle on Zheyin Shan to repulse the Vietnamese aggressors, Meng Fuxing, deputy squad leader of the 2d Company, the main attack force in the battle, was selected as the flag holder. Meng, a Buyi nationality fighter, who was the first to open a breach and to charge the enemy position in the fight, planted the red flag on the main peak of Zheyin Shan, which is Chinese territory occupied by the Vietnamese forces.

A certain height on the main peak of Zheyin Shan is a commanding point which the Vietnamese defended to the last. For more than 5 years the Vietnamese forces have exerted extraordinarily painstaking efforts to build up a series of complete defense works on this peak, including open and covert fire, cross-fire, and reinforced concrete fortifications and large-scale minefields. They planted large numbers of mines from the peak to the foot of the mountain. In particular, in a sector about 150 meters away from the first entrenchment, they placed an average of 2 to 3 mines and laid 1 to 2 caltrop traps every square meter of the area. Besides, in front of their position there were also three to four lines of high- and low-pole wire entanglements and snake-shaped entanglements. The thick fog after rain, the steep slopes, and the slippery roads presented great difficulties for the Chinese attack forces. Eleven of the 12 offensives launched by the 2d Company were blunted and the attack forces were forced to remain somewhere less than 50 meters from the enemy's front positions. Li Benming, leader of the 2d Platoon who led the charge, was wounded by a mine. Meng Fuxing and his comrades-in-arms took him to a safe place. Li Benming told Meng: "It is not time for you to take care of me; what you need to do is to charge forward and plant the red flag on the main peak!"

The territory of our motherland is not to be invaded! Looking at the wounded platoon leader, Meng Fuxing then turned around and shouted: "Light machine gunner, follow me!" They soon rushed the enemy's front position and blasted the high-pole entanglements with a bangalore torpedo. Almost at the same time the enemy fired at them with light and heavy machineguns and heavy rifles. The machine gunner was killed and his deputy was seriously wounded. Meng Fuxing took over the machinegun and, braving the enemy's fire, returned fire on the enemy. When he arrived somewhere about 9 meters from the enemy's first entrenchment, he was stopped by four lines of low-pole entanglements. He blasted the entanglements with bangalore torpedos and threw two grenades to open up a path in the minefield. He was about to jump up and make another charge when the enemy again threw several grenades at him. One of the grenades hit his helmet and then dropped on the ground in front of him. He quickly threw it away, but it exploded some 2 meters away from him. His right shoulder was injured by a shell fragment. Despite that, he used a shell crater for cover for himself and went on fiercely fighting the enemy without binding up the wound.

When a Vietnamese soldier discovered that Meng had not been killed, he swooped down on him under the cover of machineguns. Meng Fuxing suddenly jumped up and rapidly rushed the frontline trench. He vigorously opened fire at the enemy. When he had killed the enemy and was firing at another enemy who tried to flee, he discovered that he had run out of bullets and grenades. He picked up a cartridge magazine beside the body of an enemy and loaded his gun with it. After that he rushed to the right of the trench on the second line. He killed an enemy who was trying to sneak into a hidden bunker. In such a way he dashed to the highest point of Zheyin Shan.

Meng Fuxing, who was standing on the peak of Zheyin Shan, forgot that guns and artillery were still roaring around him, and that he was fighting alone. He pulled a red banner stained with blood and sweat from his chest and waved it vigorously to greet the arrival of his comrades-in-arms. Although the enemy opened fire at him three times, he still vigorously waved the red banner on the peak of the Zheyin Shan at the risk of his life.

The commanders and soldiers who had been engaged in fierce fighting for 5 continuous hours had their spirits revived when they saw the red banner flying on the peak of the mountain. They launched a fierce attack and rapidly occupied the position on the peak.

Meng Fuxing killed four of the enemy on his charge. Carrying a submachine gun with him, he joined the three soldiers who had arrived earlier. They formed a fighting group, and Meng Fuxing was the group leader. They continued to chase the enemy soldiers who were running down from the peak. In so doing they opened a path for the reinforcements.

SRV ECONOMIC WOES CAUSE OF 'ANTI-CHINA WAVE'

OW142026 Beijing XINHUA in English 2003 GMT 14 Jul 84

["Commentary: Domestic Reason for Vietnam's Division-Size Attack on China" by correspondent Huang Yuan -- XINHUA headline]

[Text] Beijing, July 14 (XINHUA) -- The Vietnamese authorities have been escalating their armed provocations against China from platoon or company size to battalion or regiment size actions for quite some time. Now on July 1, 2 Vietnamese troops of divisional size were committed to a full-day attack in the Laoshan area, Malipo County, of China's Yunnan Province.

Why should Hanoi be so reckless as to launch such an action on the Sino-Vietnamese border? A Japanese reporter once sharply pointed out that Vietnam wanted to create a crisis atmosphere to influence world opinion and at the same time produce a pretext for tighter control at home. His remark hits the nail on the head.

Nine years have passed since the end of the Vietnam war. But the Vietnamese people have had little respite to rebuilt their homeland because of the war of aggression against Kampuchea and the anti-China campaigns. Sustained military actions eat up more than half of their country's income and resulted in economic stagnation and even chaos.

Vietnam's economy has sunk into the abyss of crisis since it launched an invasion of Kampuchea at the end of 1978. In the past few years, despite an upturn in the output of foodgrains and some other farm products, the country's national economy in general remains in a wretched state, because large numbers of manpower, materials and financial resources are absorbed by the country's war machine in pursuance of the policy of aggression and expansion. There is an acute shortage of foodgrains. Factories and mines are operating at only 50 percent of capacity. The total output value of state industry in 1983 was below the 1978 level. The aggregate financial deficit in Vietnam is approaching 30 billion Vietnamese dong and aggregate foreign debt now stands at six billion U.S. dollars. With runaway inflation, skyrocketing prices and depleted foreign exchange reserves, the masses of the people, especially the wage-earners, are eking out a miserable existence. Le Duan, general secretary of the Vietnamese Communist Party, had to admit at the end of last year that the state had lost control over production and circulation.

Vietnam is confronted with great difficulties in the areas of production, commodity distribution and circulation, and in people's daily life, he said.

This state of affairs at home is beyond doubt an awful threat to the leadership in Hanoi. The Vietnamese authorities had all along attributed the economic difficulties arising from their aggression and expansion to the Vietnam war. Now that nine years have passed, such an excuse can no longer fool anybody. Thus, they have whipped up a sustained anti-China wave in an attempt to shift unto China the responsibilities for the economic difficulties in Vietnam. They slandered China for "launching a war of destruction against Vietnam" and "causing serious difficulties to the Vietnamese economy." They have even openly declared that they would resolutely defeat China with "punitive arms."

The Vietnamese authorities have made the hue and cry to "defeat China" with "punitive arms" and they have acted accordingly. This is the reason why they have repeatedly made armed provocations against China and have recently thrown in troops of divisional size to attack the Laoshan area, Malipo County, of China's Yunnan Province.

LI XIANNIAN MEETS HONG KONG GARMENT DELEGATION

HK140430 Beijing ZHONGGUO XINWEN SHE in Chinese 1340 GMT 13 Jul 84

[Report: "Li Xiannian Meets Hong Kong Garment Manufacturers' Delegation" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 13 Jul (ZHONGGUO XINWEN SHE) — President Li Xiannian met with Hong Kong garment manufacturers' delegation in the Great Hall of the People this afternoon and had a cordial conversation with them concerning the future of Hong Kong.

The 25-person delegation was led by Tien Yuen-hao, chairman of the board of directors of Hong Kong's Wantai Garment Company Ltd.

President Li Xiannian said that one country with two systems will be applicable after China recovers sovereignty over Hong Kong. We truly and sincerely hope that Hong Kong will continue to be stable and prosperous. People of all circles in Hong Kong must have lofty aspirations and confidence in running the city well in the future. The youths in Hong Kong must have this confidence. Li Xiannian also listened carefully to the opinions of some American and British nationality members of the delegation and showed great concern over the development of Hong Kong's garment industry, which makes up 40 percent of the total export volume of this city.

State Councillor Ji Pengfei also attended the meeting and hosted a banquet for Tian Yuen-hao and his party.

JI PENGFEI MEETS HONG KONG 'SOCIAL ACTIVIST'

OW141610 Beijing XINHUA in English 1605 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) — State Councillor Ji Pengfei had a cordial conversation here this afternoon with Mrs E. Elliott, a social activist in Hong Kong. Ji Pengfei, also director of the Hong Kong and Macao Affairs Office under the State Council, gave a dinner for her after the meeting.

I. 16 Jul 84

P R C I N T E R N A T I O N A L A F F A I R S
SOUTH ASIA

F 1

FURTHER ON ZHANG TINGFA VISIT TO SRI LANKA

14 Jul Return Banquet

OW140736 Beijing XINHUA in English 0716 GMT 14 Jul 84

[Text] Colombo, July 13 (XINHUA) -- Visiting Chinese Air Force Commander Zhang Tingfa said here today that he was pleased to see the great achievements scored by the Sri Lankan people in developing their national economy and culture and their great efforts made in defending state independence, sovereignty and territorial integrity.

These remarks were made at a return banquet he gave in the Chinese Embassy here this evening. Sri Lankan Air Force commander, Air Vice-Marshal Dick Perera and other officers, as well as Chinese Ambassador to Sri Lanka Gao E were present on the occasion.

Zhang said that his visit has further strengthened mutual understanding and friendship between the two peoples and the two Armed Forces of China and Sri Lanka.

In reply, Perera expressed satisfaction with the smooth development of the goodwill relations between the two countries. He said that Zhang's visit will not only provide a good opportunity for exchanging views and strengthening mutual understanding and friendship, but also contribute to promoting the traditional friendship between the two countries. He hoped that the long-standing friendship between Sri Lanka and China would be further consolidated and developed.

Departs for Bangladesh

OW151720 Beijing XINHUA in English 1645 GMT 15 Jul 84

[Text] Colombo, July 15 (XINHUA) -- Chinese Air Force Commander Zhang Tingfa left here today for Bangladesh after a week-long visit to Sri Lanka.

During his visit, Zhang was received by Sri Lankan leaders and held discussions with chiefs of the Sri Lankan Armed Forces. A Sri Lankan Army officer told XINHUA today that Zhang's visit had enhanced the friendly relations between the Armed Forces of the two countries.

PAKISTAN'S ZIAUL HAQ CITED ON NUCLEAR RESOURCES

OW101800 Beijing XINHUA in English 1616 GMT 10 Jul 84

[Text] Islamabad, July 10 (XINHUA) -- President Ziaul Haq declared that Pakistan had the capability to enrich uranium, but it would never use that for any other than peaceful purposes.

Speaking to the tenth session of the Federal Council here today, he said Pakistan was compelled by its energy requirements in rapid industrialization, to exploit nuclear technology.

Haq added Pakistan was against atomic proliferation and had announced a number of times that it had no intention of using nuclear technology for military purposes. Rather, it was ready for any international arrangement to stop the military use of nuclear technology. In this respect, Haq said, Pakistan had asked India to sign a pact for mutual inspection of their nuclear installations.

I. 16 Jul 84

P R C I N T E R N A T I O N A L A F F A I R S
W E S T E R N E U R O P E

G 1

UK'S HOWE TO MAKE WORKING VISIT 27-31 JUL

OW140714 Beijing XINHUA in English 0700 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- At the invitation of State Councillor and Foreign Minister Wu Xueqian, Sir Geoffrey Howe, secretary for Foreign and Commonwealth Affairs of the United Kingdom, will come to Beijing for a working visit from July 27 to 31, 1984

FURTHER ON VISIT OF SPANISH PARLIAMENTARIANS

Banquet in Xian

OW131822 Beijing XINHUA in English 1436 GMT 13 Jul 84

[Text] Xian, July 13 (XINHUA) -- Yan Kelun, chairman of the Standing Committee of the Shannxi Provincial People's Congress, gave a banquet here this evening to welcome a delegation from the Spanish Congress of Deputies headed by First Vice-President Leopoldo Torres.

When the delegation left Beijing earlier today, Vice-Chairman Wang Renzhong of the National People's Congress Standing Committee saw them off at the airport.

Tour of Shanghai

OW151626 Beijing XINHUA in English 1556 GMT 15 Jul 84

[Text] Shanghai, July 15 (XINHUA) -- The delegation from the Spanish Congress of Deputies led by First Vice-President Leopoldo Torres visited industrial and handicrafts exhibitions after its arrival here from Xian earlier today.

The delegation was honored at a banquet given by the municipal People's Congress Standing Committee here this evening. Hu Lijiao, chairman of the municipal People's Congress Standing Committee, and Torres spoke at the banquet.

The Spanish guests visited the museum displaying terracotta horses and armoured warriors and attended a performance of ancient music and dances during their stay in Xian.

FRENCH EMBASSY RECEPTION MARKS BASTILLE DAY

OW141726 Beijing XINHUA in English 1609 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- French Ambassador to China Charles Malo gave a reception this afternoon at the embassy to celebrate the national day of the Republic of France.

Among the guests were Jiang Zemin, minister of electronics industry, and Zhou Nan, assistant foreign minister.

I. 16 Jul 84

PRC INTERNATIONAL AFFAIRS
MIDDLE EAST & AFRICA

I 1

ZAIRIAN DELEGATION CONTINUES PRC TOUR

Banquet in Nanjing

OW121910 Beijing XINHUA in English 1838 GMT 12 Jul 84

[Text] Nanjing, July 12 (XINHUA) -- A delegation from the Zaire National Legislative Council led by its president, Kasongo Mukundji, arrived here today from Xian.

The delegation was met at the airport by He Binghao, vice-chairman of the Jiangsu Provincial People's Congress Standing Committee. They later toured the 6,772-meter-long Nanjing Yangtze River Bridge, a plastics factory, and a radio factory.

This evening, Jiangsu Provincial People's Congress Standing Committee Chairman Chu Jiang hosted a banquet in the delegation's honor.

Banquet in Shanghai

OW131809 Beijing XINHUA in English 1632 GMT 13 Jul 84

[Text] Shanghai, July 13 (XINHUA) -- A delegation from the Zaire National Legislative Council led by its president, Kasongo Mukundji, arrived here earlier today from Nanjing.

The Zairians were met at the airport by Di Jingxiang, vice-chairman of the Shanghai Municipal People's Congress Standing Committee. Hu Lijiao, chairman of the NPC Standing Committee, gave a banquet in honor of the delegation this evening.

Guangzhou Fete

OW141639 Beijing XINHUA in English 1614 GMT 14 Jul 84

[Text] Guangzhou, July 14 (XINHUA) -- A delegation from the Zaire National Legislative Council led by its president, Kasongo Mukundji, arrived here this afternoon from Shanghai.

The delegation was met at the airport by Zeng Zhaoke, vice-chairman of the Guangdong Provincial People's Congress Standing Committee. Later, they were entertained at a banquet given by Luo Tian, chairman of the committee.

WEN YEZHAN, OMANI DELEGATION GO TO GUANGZHOU

OW151553 Beijing XINHUA in English 1046 GMT 14 Jul 84

[Text] Shanghai, July 15 (XINHUA) -- H.H. Sa'id Thuwanyni ibn Shahab, special representative of the sultan of Oman, and his party left here for Guangzhou today in the company of Chinese Vice-Foreign Minister Wen Yezhan. The Omani guests visited several local factories after their arrival here from Beijing on July 13.

OAU COMMITTEE DELEGATION DEPARTS 13 JUL

OW130930 Beijing XINHUA in English 0905 GMT 13 Jul 84

[Text] Beijing, July 13 (XINHUA) -- A delegation from the Organization of African Unity Liberation Committee led by Venancio da Silva Moura, Angolan vice-minister for external relations, wound up its visit to China and left here today to visit the Democratic People's Republic of Korea.

DIOUF CITED ON SINO-SENEGALESE RELATIONS

OW142004 Beijing XINHUA in English 1839 GMT 14 Jul 84

[Text] Dakar, July 14 (XINHUA) -- Senegalese President Abdou Diouf said here today that his recent visit to China was an important step to strengthen the cooperation between the two countries.

On his arrival at the airport, Diouf told the press that the cooperation between Senegal and China had set an example of South-South cooperation and expressed the hope that the cooperation would be further reinforced.

Referring to his talks with Chinese leaders, he said he shared with them identical views on many major international issues.

PARTY, GOVERNMENT DELEGATION LEAVES FOR CONGO

OW130822 Beijing XINHUA in English 0653 GMT 13 Jul 84

[Text] Beijing, July 13 (XINHUA) -- A Chinese Communist Party and government delegation left here for Brazzaville by air this morning to attend the inauguration of a conference hall at the invitation of the Congolese Labor Party and Government.

Leader of the delegation is Zhao Shouyi, member of the CPC Central Committee and minister of labor and personnel. Zhao Shouyi will also head a Chinese Communist Party delegation to attend the third national congress of the Congolese Labor Party.

The delegation was seen off at the airport by Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee; Li Yunchuan, vice-minister of labor and personnel; and Jean-Claude Ganga, Congolese ambassador to China.

HONGQI ARTICLES ON NEGATING CULTURAL REVOLUTION

Assails Lin Biao Slogans

HK150411 Beijing XINHUA Hong Kong Service in Chinese 0306 GMT 15 Jul 84

[Text] Beijing, 15 Jul (XINHUA) -- Issue No 14 of HONGQI, to be published tomorrow, carries a signed article pointing out that totally negating the slogan "Give Prominence to Politics" is an important aspect of totally negating the "Great Cultural Revolution." Discussing how to do a good job in reforming political work in the Army, the article holds that the slogan "Put Politics in Command" is unscientific and inaccurate. Refraining from using it anymore will help eliminate the remnants of "leftism" and to totally negate "Give Prominence to Politics."

This article, entitled "Totally Negate 'Give Prominence to Politics' and Do a Good Job in Reforming Political Work," says that Lin Biao put forward the slogan "Give Prominence to Politics" at the end of 1964 and during the "Great Cultural Revolution." He raised "Give Prominence to Politics" to the plane of "a law of the development of socialist society" and of a military line. The article says that Lin Biao's "Give Prominence to Politics" means giving prominence to the politics of "taking the class struggle as the key link." This was a vain bid to thus replace and do away with proletarian politics and oppose party leadership over the Army; it was aimed at serving his counterrevolutionary conspiracy to usurp party and state power. During the "Great Cultural Revolution," Lin Biao waged a savage struggle against people who opposed "Give Prominence to Politics." "Give Prominence to Politics" became a pillar of the ultra-leftist ideological setup of the "Great Cultural Revolution." Hence, totally negating "Give Prominence to Politics" is an important aspect of totally negating the "Great Cultural Revolution."

The article says that "Put Politics in Command" means putting politics forever in the position of commanding and determining everything. This is unscientific and inaccurate. The slogan "Put Politics in Command" appeared during the years of the "Great Leap Forward," and developed more and more hand-in-hand with "leftist" guiding ideology, finally turning into a synonym for carrying out mass political campaigns and "taking class struggle as the key link." This slogan played a bad role in practice in the past. Refraining from using it anymore will help to eliminate the remnants of "leftism" and totally negate "Give Prominence to Politics."

How in fact are we to gain a correct view of the position and role of political work? The article says that political work is the lifeline of the Army, but this is not the "Give Prominence to Politics" of Lin Biao which "is above everything" and "overwhelms everything." Political work is the guarantee for implementing party leadership, carrying out the party's line, principles, and policies, and fulfilling all of our tasks, but it cannot be regarded as equal to party leadership nor can it replace it. We should not place political work in a position of "commanding" and "leading" everything. Political work must be carried out in conjunction with the various professional tasks and implemented in them. We should not indulge in empty politics.

The article points out that political work must be closely integrated with the reality of the four modernizations drive and be centered on economic construction and on the building of a modern, regular, and revolutionary army. Comrade Deng Xiaoping recently pointed out: The most fundamental task in the socialist state is to develop the productive forces. This means that promoting economic work is the major content of politics in the future. Without this major content, politics will become empty and will be divorced from the highest interest of the party and people.

The article says that the current fundamental task in political work is to vigorously publicize the theory, principles, and policies for building socialism with Chinese characteristics.

We must help the cadres emancipate themselves from the bindings of "leftist" ideology and from all kinds of old, outdated, and erroneous concepts and conventions that do not accord with reform. We must help them strengthen their political consciousness regarding carrying out the party's line, principles, and policies, and to maintain a high degree of unity with the CPC Central Committee.

Commentator's Article

HK150759 Beijing ZHONGGUO XINWEN SHE in Chinese 0732 GMT 15 Jul 84

[Text] Beijing, 15 Jul (ZHONGGUO XINWEN SHE) -- A commentator's article in issue No 14 of HONGQI, to be published on 15 July, points out that "it is essential to conduct profound education in totally negating the 'Great Cultural Revolution' for the cadres." It points out that although the 6th Plenary Session of the 11th CPC Central Committee (in June 1981) totally negated the "Great Cultural Revolution," yet even today certain party members and cadres have not solved this issue very well.

The magazine's commentator's article says that "certain comrades have negated the 'Great Cultural Revolution' in general and in principle, but they still harbor reservations on certain specific issues and look with different eyes at problems in their own areas, departments, and units, especially those problems that are directly linked to themselves; and even if they do not feel that there is something in the Cultural Revolution that can be used, they hold that some things were not all that incorrect. Although certain comrades profoundly hate the 'Great Cultural Revolution,' they are still bound up to some degree from thinking to action by the 'leftist' trappings of the 'Great Cultural Revolution,' and are unable to vigorously advance in big strides to clear the way for forging ahead. Certain comrades still have only a vague idea of why and in what respect the 'Great Cultural Revolution' was wrong, and are unable to think the thing out clearly."

The article criticizes certain cadres who, since they are unable to totally negate the "Great Cultural Revolution," always feel that the faction which they took part in or supported during the "Great Cultural Revolution" was correct whereas the other faction was wrong; in their relations with people they remain close to some and aloof from others, and when selecting and promoting cadres they only have eyes for people of their faction; as a result they only focus on the other faction when weeding out the "people of three categories" (meaning people who rose to power through rebelling, people with gravely factionalist thinking, and beaters, smashers, and looters). These people only oppose factionalism in others without acknowledging their own factionalism; and they even regard their own factionalism as party spirit.

The HONGQI commentator's article points out in conclusion that totally negating the "Great Cultural Revolution" is an issue to be solved in party rectification and is also a current major task on the ideological front. Every party member and party cadre must further eliminate the "Great Cultural Revolution" and other erroneous "leftist" and rightist influences.

XINHUA COMMENTATOR VIEWS CADRES IN ENTERPRISES

OW141448 Beijing XINHUA Domestic Service in Chinese 0111 GMT 12 Jul 84

[XINHUA commentator's article: "It Is Not Desirable for Party and State Responsible Cadres To Act Concurrently as Leaders of Enterprises"]

[Text] Beijing, 12 Jul (XINHUA) -- In the continuing economic reform, responsible comrades of party and government organs in some localities have recommended themselves or have been hired to act concurrently as managers and chairmen of boards of directors of enterprises.

In doing so, the responsible comrades hope to study ways to further stimulate the economy and restructure the urban economic system. However, this has produced some undesirable aspects that need to be looked into.

Of course, responsible cadres of party and government organs should guide and support enterprise reform. The problem here is how to correctly give guidance and support. If they are concerned with implementing the party's line, principles and policies, if they strive to solve the problems of the enterprises indiscriminately feeding off the state and workers indiscriminately feeding off the enterprises, and if they enable enterprises to promote economic development, it is essential and correct for them to give such guidance and support. However, if personally holding a concurrent job as a leader of an enterprise enables them to directly master the enterprise's economic activities, some undesirable aspects might also occur. For instance:

The enterprise could become a government organ subject to administrative intervention by party and government responsible persons and controlled by them. That would result in a "bureaucratic-commercial" or "bureaucratic-industrial" work style. It would cease to be an economic organization that is supposed to actively carry out its productive operation according to objective law.

Party and government responsible persons could use their powers to provide conveniences to enterprises directly under their leadership in terms of production, supply and marketing, personnel appointment, financial affairs, and material resources. Thus, the higher the position and the greater the powers of responsible cadres who would act concurrently as the leaders of enterprises, the greater would be the advantages enjoyed by their enterprises. As a result, whether or not an enterprise was successfully run and whether or not it made huge profits would not solely be determined by the enterprise's genuine ability.

Enterprises whose leaders are party and government responsible cadres are apt to enjoy privileges because of their uniquely favorable conditions. It would make it difficult for other enterprises to compete with them. The result would be that those enterprises would lack pressure from outside and motive force from within. They would not move vigorously ahead.

Party and government responsible cadres who are excessively concerned about enterprises under their leadership as well as their gains, losses, advantages and disadvantages are bound to weaken their leadership over other work, thereby affecting their own work because their energy has been diverted to other areas....

Such drawbacks do not necessarily appear solely in those enterprises or party and government responsible cadres who act concurrently as their leaders. However, leading cadres who are also leaders of enterprises share direct common interests with the enterprises. Even if they themselves are aware and alert about it, some drawbacks are unavoidable. Therefore, we do not favor having cadres act as leaders of the two sectors. On the contrary, we encourage the separation of administration from enterprises, that is, in productive operation, party and government leading organs as well as other responsible persons should exercise leadership and supervision over enterprises only in accordance with the policy, decrees, and plans of the party and state; let the enterprises operate independently and be responsible for their own losses and profits; and refrain from directly intervening in the enterprise's economic activities. Now responsible cadres of some local party and government organs have gone the opposite way by acting as leaders of enterprises and directly intervening in the enterprise's productive operation. This runs counter to the principle of separating administration from enterprises.

Properly handling the relationship between party and government organs on the one hand and enterprises on the other is an important aspect of economic reform. On this matter, our responsible comrades should remain soberminded and ensure that what they do will actually help, rather than hamper, reform.

ZHANG TINGFA DISCUSSES AIR FORCE RECTIFICATION

HK140730 Beijing RENMIN RIBAO in Chinese 10 Jul 84 p 5

[Article by Zhang Tingfa, member of the CPC Central Committee Political Bureau and Air Force commander: "High and Strict Demands Are Indispensable in the Comparison and Examination Stage of Party Rectification"]

[Text] Comparison and examination are a key stage in the current party rectification. Setting high and strict demands on the work of comparison and examination in the course of party rectification will have a decisive bearing on preventing party rectification from being carried out in a perfunctory manner and on reaching the target of party rectification in a timely manner.

From practice in party rectification we profoundly understand that in setting high and strict demands on the work of comparison and examination, the most important point is to adopt a "resolute, serious, and conscientious" attitude toward party rectification, an attitude which was clarified by Comrade Deng Xiaoping at the 2d Plenary Session of the 12th CPC Central Committee. This is a fundamental attitude toward party rectification. With this attitude, we can enthusiastically participate in party rectification and very conscientiously carry out comparison and examination. Without this attitude, we will not be able to do a good job in any stage of party rectification. In the course of comparison and examination, members of the Standing Committee adopted this attitude and considered the following questions: How have we implemented the line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee and the principle presented by the CPC Central Committee and the Central Military Commission on building the Army? How has the air command performed its work of leading the Air Force? How far are we from the requirements for realizing the party's general targets and general tasks and from the criteria for party members and party cadres? Whether comparison and examination is successfully carried out affects not only personal interests. It also has a direct bearing on whether party organizations at all levels in the Air Force can successfully carry out party rectification, on whether the Air Force can further realize the general tasks and general targets presented by the 12th CPC National Congress, and on whether the Air Force can blaze a new trail in the work of building the Air Force. Therefore, we have repeatedly stressed that we should use Comrade Deng Xiaoping's instruction on adopting a "resolute, serious, and conscientious" attitude to guide not only the study of party rectification documents and the work of weeding out "people of the three categories," but also the work of comparison and examination and the whole course of party rectification.

The quality of comparison and examination, to a large extent, is determined by how preparations are made. After entering the stage of comparison and examination, we did not rush to conclusions. Instead, we spent another month on making better preparations. We did the following three things: 1) We continue to study the party rectification documents issued by the CPC Central Committee and the Central Military Commission in order to have a profound understanding of the gist of "developing four points and overcoming another four points" in the course of comparison and examination and to lay a better ideological and political foundation for the work of comparison and examination. 2) We extensively carried out heart-to-heart talks and solicited criticism and opinions by various means. Thus, a good and democratic atmosphere was created. On the one hand, heart-to-heart talks were extensively carried out between the members of the Standing Committee, between the members of the Standing Committee and departmental leaders, and between the members of the Standing Committee, staff officers, and aides.

The 12 members of the Standing Committee carried out heart-to-heart talks with 612 comrades and made contacts with one-fourth of the party members of the administrative organs who participated in party rectification. On the other hand, we carried out meticulous ideological work and mobilized office personnel to emancipate the mind, to air their views, and to help us accurately identify the main problems. We solemnly declared that we would not take retaliatory action against those who put forward criticism. Party members who took part in party rectification put forward more than 1,000 types of criticism and suggestions. We felt that the course of having heart-to-heart talks and soliciting opinions was the course of applying the mass line.

To enable heart-to-heart talks to produce good results, leading comrades made frequent contacts with those they had seldom been in touch with before. We felt it necessary to drop pretentious airs and sincerely listen to their opinions. While hearing sharp criticism or opinions which did not correspond to the facts, we were not in a hurry to explain, nor did we assume a serious expression. In this way, they boldly aired their views and told us what was on their minds. Also, they could talk a lot about the building of the Air Force and major problems. This enabled us to have a unified understanding of the problems to be examined. 3) We worked out, by ourselves, an outline for the work of comparison and examination. Comparison and examination are something which affect our minds. They are the manifestation of strengthening party spirit and enhancing ideological consciousness. Therefore, we cannot replace each other in carrying out comparison and examination. Our outline for the work of comparison and examination was not drafted by our personal secretary or any office cadre. The first secretary of our CPC Committee, secretaries of our CPC Committee, and members of the Standing Committee of our CPC Committee wrote their own outline for the work of comparison and examination while having heart-to-heart talks with the masses or soliciting opinions from them. We held meetings of the Standing Committee to practice criticism and self-criticism, in which the outline was formed. The outline embodied the main problems of the members of the Standing Committee and their common understanding. Subsequently, the outline was revised after repeated discussions with office personnel, large departmental CPC committees, and the masses. Finally, we held a meeting of party cadres at the divisional level and above to examine our work according to the outline. The masses expressed the view that the outline was the product of collective creation by members of the Standing Committee as well as the result of applying the mass line and soliciting opinions from the masses.

In setting high and strict demands for the work of comparison and examination, it is necessary to give prominence to reform. It is necessary to carry out comparison and examination in line with the general target of party rectification. In the beginning we did not have a clear understanding of how to carry out comparison and examination. Through the study of party rectification documents, and through the study of Circular No 7 of the Central Commission for Guiding Party Rectification in particular, we gradually came to understand the main problems of the Standing Committee. Although there were several problems, we did not deal with them in detail. We dealt with the main problems by holding firm to the general target of party rectification. Take the Air Force, for example. It should focus party rectification on building a strong, revolutionized, modernized, and regular People's Air Force. These are our methods: 1) We do not adopt a passive attitude toward party rectification. We take a broad view and focus party rectification and reform and on meeting the needs of a modern Army. We pointed out that reform should be carried out in eight aspects in order to enable everyone to boldly bring forth the new and make vigorous progress. 2) We do not waste time disputing over trifles. We discuss major matters and key problems, give prominence to reform, and study the problem of how to blaze a new trail in the Air Force. 3) We avoid quibbling over historical mistakes, completely negate the "Cultural Revolution," and manage to unify our understanding on the basis of the conclusions drawn by the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC."

This has provided a guarantee for the quality of comparison and examination and has enabled the process of comparison and examination to become a process of enhancing our fighting spirit and mobilizing all positive factors. In this way, we can prevent ourselves from making everyone look depressed.

An important link in preventing comparison and examination work from being perfunctorily carried out is to boldly expose problems and conscientiously practice criticism and self-criticism. Since the 3d Plenary Session of the 11th CPC Central Committee, under the leadership of the CPC Central Committee and the Central Military Commission, the Air Force has made prominent achievements in its work. Under such circumstances, how should we discover our problems and practice criticism and self-criticism? We try to find out where we fall short in implementing the principles for building the Army, where we fall short when we make progress, and what lesson we should draw from the problems which emerge in administrative organs and among soldiers. Members of the Standing Committee strictly analyzed themselves, took the initiative in making self-criticism, carefully listened to others' criticism, and did not cover up their shortcomings. We examined problems in the following five aspects: 1) We have not studied well the line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, and sometimes we are still influenced by "leftist" or rightist ideological tendencies; 2) in implementing the Central Military Commission's principles for building a strong, modernized, and regular Army, we have not fully displayed the spirit of boldly carrying out reform and have not advanced at full stride; 3) "leftist" influence still remains in work concerning the "four transformations" of cadres, and the habit of promoting cadres according to seniority has not been completely eradicated; 4) political work is still lax in some aspects; and 5) the bureaucratic work style still exists. While examining their work, members of the Standing Committee presented the facts and reasoned things out; they both pointed out their problems and presented methods for correcting these problems; they neither handled matters perfunctorily nor uttered words against their conscience; and they criticized others at a meeting and exchanged views after the meeting. In this way they could solve problems in a proper manner, and everyone had ease of mind.

Successfully carrying out the work of comparison and examination in order to find the main problems is just a step in party rectification. However, the purpose of finding problems is to solve problems. So it is necessary to concentrate our efforts on the work of simultaneous rectification and correction of defects. If we fail to do so, our efforts will be to no avail, and the problems which have been discovered will still remain unsolved. Therefore, in the course of simultaneous rectification and correction of defects, we should do the following work: First, we should continue to carry our education on the complete negation of the "Cultural Revolution," continue to eradicate "leftist" influence, reform old conventions, old methods, and old concepts, and explain in detail the eight suggestions on reform we have presented in the course of comparison and examination so that they can be put into effect. Second, it is imperative to overcome bureaucratism and to strengthen investigation and study in order to bring about a great change in our leadership style. Third, we should resolutely stop the unhealthy tendency of abusing one's power for personal gain; once such a problem emerges, we should seriously deal with it. Fourth, we should do a good job in weeding out "people of the three categories" and in building the "third echelon" in order to strengthen the leading bodies at all levels. In short, simultaneous rectification and correction of defects should be carried out in such a way that we can further exert ourselves, unite more closely, be bold in carrying out reform and display our enterprising spirit, promote our work, and strengthen the confidence of party members in party rectification.

BORDER AREA MILITIAMEN JOIN PLA IN DEFENSE

OW160112 Beijing Domestic Service in Mandarin 2230 GMT 14 Jul 84

[Text] Since our frontier guards in Guangxi and Yunnan dealt counterblows to the Vietnamese troops' provocations and incursions in early April of this year, the broad masses of militiamen in the border areas have taken an active part in fighting the enemy and made fresh contributions to supporting the defense front. Statistics for June show that militiamen in the border areas of Guangxi and Yunnan fought by themselves on 116 occasions, killing or wounding more than 260 enemy troops. During the combat, the militiamen took the initiative and made positive efforts to undertake various duties for the frontier guards, such as gathering intelligence about the enemy, repairing roads, guarding bridges, transporting ammunition, and giving first aid to the wounded. To strictly guard against the enemy's sabotage and harassment and to safeguard the normal production work and daily life of the masses, many militia units in the border areas of Guangxi and Yunnan have formed patrol teams to carry out patrol duty day and night.

RADIO BEIJING COMMENTARY ON REFORM, CYL ROLE

OW131011 Beijing Domestic Service in Mandarin 1200 GMT 9 Jul 84

[Station commentary: "Improve Education Among CYL Members To Keep Up With Situation of Reform"]

[Text] CYL members must cherish the party, struggle for achieving the four modernizations, closely follow the party, and be vanguards of reform -- this is the theme of the CYL-sponsored activities of studying the documents on party rectification. We are now in an era marked by great historical changes. To achieve the grand objective of quadrupling the annual value of industrial and agricultural output by the end of this century, the CYL must enliven its operation with the central objective of achieving the four modernizations. CYL organs must consider heightening their members' political consciousness, amplifying their regular activities, and enforcing their discipline. CYL organs must also consider carrying out independent activities as the basic objective in sponsoring the current study activities and making the CYL an organization capable of influencing and guiding young people with a heightened political consciousness, strong organizational setup, strict discipline, and all kinds of colorful activities, thus helping our young people become capable of shouldering the historical tasks of building a socialist material civilization and a spiritual civilization. During the course of reform, the CYL must guide young people to thoroughly understand that reform is the only fundamental way to build a socialist society with distinctive Chinese characteristics, and that reform is the inexorable law under which our socialist society can improve itself in the movement of contradictions. The CYL should, by carrying out all kinds of effective and practical activities, promptly guide CYL members, whose enthusiasm has been aroused in the course of study, to do practical work for the four modernizations and contribute to reform.

RENMIN RIBAO NOTES DISMISSAL OF TIANDENG CADRES

HK130850 Beijing RENMIN RIBAO in Chinese 12 Jul 84 p 1

[Report: "Nanning Prefectural CPC Committee Dismisses Chen Qibei and Qin Bai of Tiandeng County From All Posts Within the Party"]

[Text] According to GUANGXI RIBAO, the Guangxi Regional CPC Committee recently discussed the error of certain leading cadres in Tiandeng County who had gone against the policy on intellectuals practiced since the 3d Plenary Session of the 11th CPC Central Committee and had discriminated against teachers.

The committee agreed with decision of the Nanning Prefectural CPC Committee to dismiss from all their posts inside and outside the party Chen Qibei, deputy director of the General Office of the Nanning Prefectural CPC Committee and a former member of the Standing Committee of the Tiandeng County CPC Committee and deputy county magistrate who was in charge of education work in the county; and Qin Bai, head of the group for personnel assignment of the Tiandeng County CPC Committee and a former member of the Standing Committee and director of the Propaganda Department of the county CPC Committee.

The regional CPC Committee has instructed that it is necessary to accelerate the pace of investigations into the cases of other cadres whose mistakes have been exposed and to deal with these cases in a serious and truth-seeking way.

The regional CPC Committee held that the criticism by RENMIN RIBAO against this county will give impetus to the implementation of the policy on intellectuals in the whole region. It has demanded that the whole region learn a lesson from the errors of Tiandeng County and properly carry out the policy on intellectuals; that the whole region regard the problems of Tiandeng County as a mirror in conducting comparison and examination, and regard the elimination of "leftist" influence as a major content of party rectification and correction of defects in order to stimulate the implementation of the policy on intellectuals.

BAN YUE TAN PRAISES CHEN YUN ECONOMIC THOUGHT

HK070333 Beijing XINHUA Hong Kong Service in Chinese 0416 GMT 6 Jul 84

[Text] Beijing, 6 Jul (XINHUA) -- Issue No 13 of BAN YUE TAN to be published on 10 July, carries a signed article which suggests to economic workers throughout the country that the economic thought of Chen Yun plays a major guiding role in China's four modernizations drive and will provide theoretical weapons for those determined to carry out reform and are building the four modernizations. The article says that Volume 2 of the "Selected Works of Chen Yun" which is on the point of publication is a collection of representative works of Chen Yun written between the founding of the PRC in 1949 and the basic completion of socialist transformation in 1956. It is rich in content and profound in thought. As one of the leading figures of the party and state at that time, Chen Yun was in charge of financial work in the whole country, and played an outstanding role in formulating and leading the implementation of the principles, policies, and measures for the party's economic work.

The article holds that the characteristics of Chen Yun's economic thought can be encapsulated in four words: "Realistic, steady, lively, and careful." Realistic means seeking truth from facts, basing everything on China's national condition, and acting according to objective economic laws. Steady means making steady progress amid a comprehensive balance in economic construction; the people's living standards should steadily improve on the basis of increased production; policies should be kept relatively steady; and work should be steady and thorough. Lively means, under the premise of ensuring that the production relations accord with the development of the productive force, instituting a variety of economic and management forms, and relaxing the policies, in order to fully mobilize the enthusiasm of all sectors, open up various avenues, and enliven the economy. Careful means thinking deeply, planning carefully, and providing skillful guidance in the fields of macroeconomics and microeconomics, and carrying out economic work in an ever more careful way.

The article says that after the 3d Plenary Session of the 11th CPC Central Committee in 1978, in the new historical conditions, Chen Yun proposed that there must be two parts to the economy throughout the entire socialist period:

The planned economy part is the basic and the main one, while the part of regulation by market mechanism is secondary yet essential (after the rural areas implement the production responsibility systems, the rural economy too must have planned economy as the dominant factor and regulation by market mechanism as secondary); regarding the all-round readjustment of the national economy, there is no need to be afraid of this sober and healthy readjustment, since it has harmonized the various proportional relationships and the national economy is able to develop in proportion, which is at its fastest growth rate; in the four modernizations drive, existing industry is the foundation, and apart from launching a number of large projects, we should focus on tapping potentials and carrying out innovations and transformation in the existing domestic enterprises; production comes first and capital construction afterwards; it is essential to carry out reforms, but the pace must be steady and we must begin with pilot projects to ensure that the reforms will help readjustment and the success of the reforms themselves; a major guideline in economic work is first to ensure that the 1 billion people have enough to eat and second to carry out socialist construction; there are no prospects for the country if everything is consumed, and we must ensure that, after consumption, the state has surplus strength to carry out construction -- this is the principled demarcation line in improving the people's living standards; we must eliminate the policy of closing the country to international intercourse, and open up to the world; it is necessary to regard the whole country as one chessboard in national construction, and carry out construction according to the plans; China is a country with 1 billion people, of whom 800 million are peasants, and it is necessary to understand this point and appreciate this difficulty when carrying out construction; the main mistakes in economic construction since the founding of the state have been "leftist," and these are the principal mistakes, whose main source was "leftist" guiding ideology; and so on and so forth. These viewpoints and ideas presented by Chen Yun are the fruits of economic theory reaped by the Chinese Government in the new period.

The article also gives an introductory outline to the main points in Chen Yun's theoretical economic writings, for instance: Ensure the leadership of a state-owned economy and unite the other economic components; planned production is the main portion of industrial and agricultural production, and free production carried out according to market changes and within the limits permitted by the state plans is a supplement to planned production; the state market is the principal part of the unified socialist market, while the free market under state leadership which exists to a certain degree is a supplement to the state market; developing agriculture is the essential task, and so on.

VOLUME 2 OF CHEN YUN'S WORKS PUBLISHED

OW140302 Beijing XINHUA in English 0245 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- Volume two of the three-volume "Selected Works of Chen Yun" will go on sale throughout China tomorrow. Chen Yun, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, joined the party in 1925. Following the founding of the People's Republic of China in 1949, he was in charge of financial and economic work for a long period of time.

The new volume contains 52 articles written between August 1949 and July 1956, 36 of them published for the first time. They deal with topics including price stabilization, unifying economic leadership, rehabilitation China's post-liberation economy, establishing state monopolies over the purchase and marketing of grain and other major farm products, planning economic construction and socialist reform of private ownership. Some articles in the latter half of the volume suggest ways of restructuring management systems after the socialist reforms were basically completed. Its editors described the volume as a historic work containing some of Chen Yun's most important views regarding economic work. Integrating the basic principles of Marxism with the concrete practice of China, Chen Yun solved many complicated problems in China's economic development in a principled and flexible way.

Chen Yun's outstanding contribution to China's socialist cause is recognized by all.

Besides helping the readers to better understand this brilliant page in China's history, the volume will also teach them Marxist way of thinking so as to help promote China's current reforms in the economic system and management and its socialist modernization drive.

Works Introduced

OW141322 Beijing XINHUA in English 1238 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- The second volume of the "Selected Works of Chen Yun" contains 52 articles, written between August 1949 and July 1956. During that period Chen Yun was a member of the Political Bureau of the Chinese Communist Party Central Committee, vice premier of the Government Administration Council of the Central People's Government and chairman of the Committee of Financial and Economic Affairs.

The volume deals with the successful experience along with some defects and deviations in the three major tasks that laid the foundation of socialism undertaken by the Chinese Communist Party in the economic field after the founding of New China in 1949. The tasks were to unify national financial and economic work and stabilize prices, ensure state monopoly over the purchase and marketing of grain and other major farm products and socialist transformation of private ownership of the means of production. In this volume Chen Yun also put forth some tentative ideas for restructuring the economic management system following the basic completion of socialist transformation. With the war of liberation going victoriously throughout the country in the second half of 1949, the Communist Party economically faced the task of rapidly reviving war-devastated industrial and agricultural production, transportation and communications, ending the sky-rocketing rise of prices caused by galloping inflation left over by the Kuomintang regime and ending the state of relying solely on the issuance of banknotes to cover the huge financial deficits. Chen Yun was entrusted by the Communist Party Central Committee to preside over a meeting in Shanghai between July 27 and August 15 of leading personnel in financial and economic affairs from east China and four other major administrative areas.

"Overcome Serious Financial and Economic Difficulties" and "Some Points in Financial and Economic Work That Merit Attention", are the titles of a speech he delivered at the meeting and the summary he made at its end. In these he gave an analysis of the basic military and economic situation in China and put forward principles, steps and measures to overcome the serious financial and economic difficulties. "Stop Price Hikes," "Situation of Shanghai's Industry and Commerce" and four other articles written between November 1949 and February 1950 include directives drafted by Chen Yun and his reports to the Chinese Communist Party Central Committee and the Central People's Government. In the articles, he stated that the main reasons for the devaluation of currency and the price rises were the government's enormous financial deficits and excessive issuance of paper money. Based on the state's actual economic strength, he proposed a number of detailed measures to make up the deficit and stabilize market prices. Application of these measures dealt a heavy blow to speculators who had driven up prices. Thus the state gained the initiative in stabilizing the markets and controlling prices.

"Centralize Financial and Economic Work" and "Why Financial and Economic Work Must Be Centralized" were the titles of a government administration council decision drafted by Chen Yun and an editorial he wrote for the PEOPLE'S DAILY in March, 1950. He pointed out that state financial and economic work must be brought under centralized supervision instead of decentralised management as in the liberated areas.

With the firm implementation of the measure, by April and May of the same year financial and economic work was brought under centralized leadership and things took a turn for the better. This was a major economic success after the founding of New China. Three other articles written in May and June of 1950 deal with the slow sale of goods and the work stoppage or shutdown of large numbers of privately-owned factories. Chen Yun put forward suggestions to adjust the relations between the public and private sectors of the economy, between labor and capital and between production and marketing.

In reviewing past economic work, in April, 1951, Chen Yun said that a lot had been done in the previous year, but mainly centering around two key points -- centralizing financial and economic management and adjusting industry and commerce. Centralized supervision of financial and economic work had stabilized prices, but commodities were moving sluggishly. The later adjustment of industry and commerce improved the situation. These two things ensured stability in the country.

"Adopt State Monopoly of Purchase and Marketing of Grain" was a speech made in October 1953, in the light of the serious short supply of grain at that time. Chen Yun proposed state purchase of grain in the countryside, rationing in the cities and strict control of private merchants. In line with Chen Yun's suggestion, the party Central Committee and the Government Administration Council worked out the important policy of state monopoly of the purchase and marketing of grain and other major farm produce, which helped ensure socialist construction and meet the people's needs for food. The policy also promoted the socialist transformation of agriculture, handicraft industry and capitalist industry and commerce. "Several Points of Explanation on the First Five-Year Plan" was a report written by Chen Yun to the party Central Committee. Chen Yun comprehensively analyzed and evaluated the favorable conditions and existing problems in carrying out the First Five-Year Plan. He pointed out that in terms of finance, matters must be arranged on the basis of actual income. He also gave a theoretical exposition of the question of the proportionate growth of various sectors. The article was the basic guideline for China in drawing up and carrying out the First Five-Year Plan.

"New Situation and New Tasks in Transformation of Capitalist Industry and Commerce" was a report given by Chen Yun at a conference of the CPC Central Committee in November 1955. With the coming high tide of the agricultural cooperation movement, a new situation of joint state-private ownership emerged throughout capitalist industry and commerce as a result of the socialist transformation. In this report, Chen Yun proposed the major steps to be taken in the transformation.

"Overcome Malpractices in the State Purchase and Marketing of All the Products of Private Enterprises" (June, 1956) pointed out that the state purchase and marketing of all the products of private enterprises and some other methods had been important and necessary in guaranteeing production, stabilizing the market and using, restricting and transforming capitalist industry and commerce. However, Chen Yun wrote, this was only a special administrative method under given historical conditions. After all industrial and commercial enterprises had been transformed into joint state-private ownership, Chen Yun wrote, it would be necessary to adopt some new and better methods. He proposed that all the commodities related to national economy and the people's livelihood such as grain and cloth should continue to be distributed by the state in the planned way. Meanwhile, on a sound basis of socialism some free sales and purchase, namely free markets under the state planned economy, should also be allowed to a certain extent. In revising the article in 1983, Chen Yun explained that since the supply of commodities was insufficient at the time, it was not possible to put the idea into practice.

Now, with an ample supply of commodities, selective buying of such commodities has gradually become possible.

In the article "Make Full Use of Capitalists" (July, 1956) Chen Yun noted that a new method should be used in commerce; past experience should be summed up and the experience of merchants in the old society and foreign countries should be used, paying attention to differentiate socialist commerce from capitalist transactions. In "Overcome Malpractices in the State Purchase and Marketing of All the Products of Private Enterprises", Chen Yun explicitly underlined the guiding principle of planned economy and enlivening the market as of great importance.

COMMERCE MINISTER URGES ACCELERATION OF REFORM

HK140342 Beijing CHINA DAILY in English 14 Jul 84 p 1

[By our staff reporter: "Commerce Minister Calls for Shake-up"]

[Text] China's commerce should quicken the pace of reform in an effort to supply more goods and better services. The present commercial system is outmoded and bogged down by bureaucracy, Minister of Commerce Lui Yi said yesterday. In an interview with CHINA DAILY, the minister said that administration of commerce should be decentralized and simplified.

China is in the process of establishing a State collective and private commercial system, with fewer bottlenecks to hinder the smooth flow of goods between town and country and between different regions. This is a fundamental change in the management of China's domestic economy. "We must give more decisionmaking power to enterprises," Liu said. "Administrative departments will no longer manage commercial enterprises directly, while wholesale distributors run by the Ministry of Commerce will be put under municipal control."

Until now, the Ministry of Commerce has controlled all the source of commodities and monopolized distribution to make sure every citizen got his share. The dramatic growth of market production in the last three years has caused the Ministry of Commerce to switch attention to improving distribution. Liu Yi, 54, said that the ministry will change the wholesale system for farm and sideline produce and manufactured goods. "We will gradually reduce the state's monopoly on purchases and marketing of grain and edible oils," he added. "We will set up wholesale markets in all cities, which will be run as independent entities, open to goods supplied by any producer and to retailers of all kinds, whether State, collective or individual."

The existing wholesale network is completely dominated by the state, and commodities must pass through three levels of administration to reach the consumer. This wastes time and discourages competition. Liu said some small state retailers and service enterprises would be converted to collective ownership or leased to individuals. These are likely to include restaurants, service businesses, and repair and maintenance shops. The only state retail outlets are in future likely to be large and medium-sized enterprises.

The Ministry of Commerce is determined that supply and marketing co-operatives will be genuine collective enterprises managed by the peasants. There are 35,000 supply and marketing co-ops scattered throughout rural China. This nationwide network needs to be reformed, democratizing its management and personnel policies, Liu said. Democratization of co-op management began in 1982, with the issuing of stocks and payment of dividends to peasants, who now have a say in the business.

BANKS ADOPT MEASURES TO ASSIST SPECIAL ZONES

HK140550 Beijing XINHUA Hong Kong Service in Chinese 0317 GMT 13 Jul 84

[Report: "Chinese Banks Adopt Special Policies To Support Special Zones and 14 Cities Open to the Outside World To Import Advanced Foreign Technology" — XINHUA headline]

[Text] Beijing, 13 Jul (XINHUA) -- According to JINGJI RIBAO, the People's Bank of China and the Industrial and Commercial Bank of China have decided to adopt certain special policies to support the special economic zones and the 14 cities open to the outside world in importing advanced foreign technology in order to accelerate the pace of technological reform in enterprises. These policies include the following:

— In credit planning and management, the methods of the Shenzhen Special Economic Zone can also be adopted by the Zhuhai, Shantou, and Xiamen Special Economic Zones and by Hainan Island, that is, enterprises having more deposited with the banks can be provided with more loans, within the range of the fixed credit balance. On the premise that the withdrawal of deposits is ensured and the rational needs of circulating funds and the funds for purchasing agricultural and sideline products are satisfied, the surplus deposits and paid loans can be used to grant circulating funds or fixed assets loans.

-- As for the projects to be imported by Tianjin, Shanghai, and the other 12 coastal cities further open to the outside world for the purpose of carrying out the technical reform of old enterprises in 1984, if they are not beyond the scope of investment in fixed assets, with which quick economic returns can be achieved with small investment, and if they comply with the terms for loans and need small quantities of loans within this year, the banks can make proper arrangements and grant them loans in accordance with the norms set in the plan.

-- As to the "carrying-lable" [dai mao 2071 1604] special loans for technical reform, on the premise that the funds for state projects are guaranteed, the banks can make proper use of them under overall planning and in accordance with the local technical reform plans.

-- Banks in the special economic zones and in the 14 coastal cities will be granted greater power in examining and approving loans for technical reforms so that they can act as provincial-level branches in this respect.

-- In the special economic zones and economic development zones, banks can organize or support the organization of Chinese-foreign joint venture financial or leasing companies, directly invest in those which can reap high economic returns, and act on behalf of these companies in issuing stocks and bonds. The trust departments of banks can also engage in other business, such as real estate and development.

GUANGMING RIBAO ON STATE COMMERCE CONTRACT SYSTEM

HK130851 Beijing GUANGMING RIBAO in Chinese 1 Jul 84 p 3

[Article by Zhao Erlie: "An Inquiry Into the Operation Contract System Within State Commerce"]

[Text] At the Second Session of the Sixth NPC, Premier Zhao Ziyang pointed out: On the basis of implementing the second stage of the policy of a shift from profits to taxes, while turning small state commercial enterprises into collective operations on a contract basis or hiring them out as individual operations, "large and medium-sized commercial enterprises should themselves also introduce in a planned manner various versions of the economic responsibility system geared to their own peculiar features."

This is an important reform measure directed against the defects existing in the management of state commerce.

1. The introduction of the operation contract system in state commerce is an important reform directed against the defects existing in the management of state commerce. The introduction of the responsibility system for socialist economic management is an important principle put forth by Lenin at the time of the implementation of the new economic policy in Soviet Russia. He pointed out: "The establishment of various trusts and enterprises on the basis of economic accounting is prompted by the very aim of holding themselves responsible and fully responsible, so that they will not suffer a loss." ("Collected Works of Lenin," Vol 35, p 549) He also said: "We must establish all important sectors of the national economy on the basis of concern for personal interests. There should be mutual discussions with designate persons held responsible. Due to the failure to practice such a principle, we have suffered every step of the way." ("Collected Works of Lenin," Vol 33, p 51) For many years, due to the failure to properly carry out this principle in the management of our state commerce, we have similarly suffered much. To solve this problem we must, on the one hand, enlarge enterprises' decisionmaking powers, so that commercial enterprises can become relatively independent commodity dealers dedicated to independent operation, self-development, self-regulation, and self-improvement. On the other hand, we must implement the Marxist principle of material interests, linking enterprises' interests with their operation results and workers' renumeration with the results of individual labor. Thus, enterprises will no longer count on the state's "big pot" and workers will no longer count on the enterprise's "big pot." The enthusiasm of enterprises and workers will be aroused. Since state commerce is owned by all the people and constitutes part of the planned economy, we must combine the enlarging of powers and profit distribution with efforts to clearly define the enterprise's economic responsibility to the state and the worker's economic responsibility to the enterprise. Meanwhile, we must vest in the relevant enterprises economic power and economic interests. This calls for the establishment of an economic responsibility system combining responsibility, powers, and profits. The economic responsibility system in commercial enterprises is established on the basis of commodity trading. The combination of responsibility, powers, and profits often takes the form of a contract. So people are accustomed to describing it as an operation contract system. Given a relatively large amount of capital, a relatively large staff, and a relatively large scale of operation large and medium-sized enterprises in state commerce are backbone elements in the retail market, having a relatively great impact on market supplies and the state's financial income. Therefore, they are generally not suitable for the practice of contracting on a collective basis, or hiring themselves out. They are more suited to the operation responsibility system internally introduced.

2. The introduction of the operation contract system in state commerce is in line with the features of commercial operations. Marx told us that the method of enterprise management must be compatible with an enterprise's economic activities. What are the features of the commercial enterprises suited to the introduction of the operation contract system? First, commercial operations are varied in their nature. Commercial enterprises and networks are scattered everywhere, large or small in size, covering dozens of lines. Within an enterprise, the work processes call for unified organization and mutual coordination, and also independent work in coping with customers. The commodities handled are especially numerous, with many specifications involved. Second, commercial operations are of a changeable nature. Commerce is the link between production and consumption. Given a change in production or consumption, a commercial enterprise must be quick to react accordingly. Given an open market for the operations of a commercial enterprise, the ever changing supply and demand situation affects an enterprise's operations at any time.

The targets of service in commerce are myriads of households or individuals, who are free to make their own choices. Their needs vary greatly. This calls for appropriate adaptability and decisionmaking power on the part of commercial enterprises. Finally, commercial operations are concerned with service. Commerce is not devoted to the production of commodities, but is instead engaged in buying and selling commodities through trading activities. It provides various services mainly through manual labor. Both sides involved in buying and selling are people. Only through exchanges between people can the transfer of commodities be effected. The buying and selling process is accompanied by a large amount of service. But the quality of service, good or bad, is left entirely to the discretion of a given commercial worker. He cannot be replaced by any machine, or anyone else. Therefore, the results of commercial operations depend, to a still larger degree, on arousing the enthusiasm of the workers themselves. In sum, the introduction of the commercial operation contract system, helps enterprises and workers in carrying out operations in an independent, flexible, conscious, and spontaneous manner.

3. The introduction of the operation contract system in state commerce is compatible with the nature of state commerce. Is the introduction of the operation contract system in state commerce compatible with the nature of its ownership by the whole people? The answer is in the affirmative. What determines the nature of an enterprise is the relations of production. The introduction of the contract system in large and medium-sized state-run retail commercial undertakings and catering service enterprises means only a partial readjustment of the relations of production and not a fundamental change in the relations of production.

First, the contract system does not change the nature of the ownership of the means of production by the whole people. To commit an enterprise to a department in charge and a worker to an enterprise on a contract basis is only to clearly define the economic responsibility that should be assumed in using the state's means of production and is not to divide up the means of production. "Holding something for use is not possession. Holding something for use is only a temporary measure and also changes from year to year." ("Collected Works of Lenin," Vol 24, p 456) The state still has the final say in the disposal of the means of production held by enterprises and workers and has control over the direction of operations and a claim to returns on operations. Meanwhile, because "everyone cares or worries when bound by contract," where the means of production and workers is made possible, thus allowing more conscientious concern regarding, and the effective use of, the state's means of production.

Second, the contract system has further consolidated the state enterprises' role in the socialist economy. Relying on the word "contract," the operation contract system enables the state plans to be firmly carried out in the enterprises and at every level within an enterprise. Relying on the word "guarantee," economically rational strict relations of cooperation are established between enterprises, between various counters or groups in an enterprise, and between posts. Relying on the word "inspection," the exercise of supervision over plans and the realization of cooperation help arouse the enthusiasm of enterprises and workers. Thus, state commerce is enabled to combine "unified" with "divided" management and to play a leading role in competition on the strength of its own vitality.

Third, the contract system can better aid the implementation of the principle of distribution according to one's work in state enterprises. Given commodity production and the exchange of commodities, the collective labor of the workers of the state enterprises cannot be subjected to direct computation along the lines of social labor, as assumed by Marx and Engels, and must find expression as enterprises operation results through value in an indirect way, given the action of the law of value.

Therefore, the individual labor of workers in enterprises must also be computed by linking it with the results of individual labor that form the results of enterprise operations. Of course, given the features of commercial operations, the operation results of commercial enterprises find expression not only as the economic results of enterprises but also as the results of social service. The results of the individual labor of workers also not only find expression as profits and the volume of sales but include service attitude and quality of service. Therefore, the contract system in commerce cannot be linked just with profits and sales. We must also take comprehensive and overall survey measures at various levels, with many targets in mind, thus protecting the consumers' interests from being impaired.

COMMENTATOR SUPPORTS CREATION OF MODERN DRAMAS

HK121203 Beijing RENMIN RIBAO in Chinese 9 Jul 84 p 7

[Commentator's article: "Give Enthusiastic Support to the Creation of Modern Dramas"]

[Text] The 1984 national performances to emulate modern local operas, plays, and dramas sponsored by the Ministry of Culture are now being held in Beijing. These are the largest joint performances of modern dramas in the more than 20 years following the national emulation performances of Beijing Opera in 1964. They are bound to play an important role in promoting the vigorous development and prosperity of the creation of dramas.

Most of the modern dramas performed were created in recent years, and have been tested by the broad masses of audiences. In these dramas we see the images of a great number of socialist new people who are characterized by the features of the new era, and are filled with communist ideals and spirit of devotion. They have left a very deep impression on the audiences. These modern dramas with better ideological and artistic quality have embodied the hard work of the broad masses of drama workers, and demonstrated the favorable situation and bright prospects for modern drama.

Our party has always attached importance to the creation of dramas with modern themes. Right after the founding of the People's Republic, the party presented the policy of "letting forth the new," and the "simultaneous development" of traditional operas, new historical plays and modern dramas. Proceeding from the construction of a high level of socialist spiritual civilization, the 12th CPC Congress has further explained the nature, tasks, and functions of socialist literature and art, and placed a higher demand on the creation of modern dramas. Recently Comrade Hu Yaobang sent a message of greetings, encouraging the broad masses of literary and art workers to make persistent efforts to perfect their skills, reproduce a life bubbling over with the struggles for the four modernizations, and create the images of the socialist advanced figures who are bold in blazing new trails and active in carrying out reforms. We hope that drama workers will conscientiously study and understand the significance of these instructions, and that they will accomplish their mission entrusted by history, and enhance the sense of responsibility needed by the times to create more modern dramas.

Any perfect artistic form has the capability of reflecting various kinds of social life in modern or ancient times, in China or elsewhere. The reason why traditional operas of China can take root among the masses over a long time is because they can fully keep abreast of the practical needs of each different era, and make progress as the times advance. If a perfect artistic form has broken away from the times and the life of contemporary persons, it will decline and fall. This has been proved by the development of the history of dramas. Therefore, the creation of modern dramas is an inexorable trend determined by the law of development of the art of drama itself.

Without doing well in creating modern drama, and without injecting new life and blood into drama in order to attract the broad masses of new and young audiences, the prosperity of drama can only become empty talk.

Drama should reflect life, and the general trend of the times in particular. Our country has entered a new period of socialist modernization. The tide of reform has been sweeping through various fronts, and extending over all spheres of social life. It has produced profound influence over and changed our social life and the people's spiritual world. New life has provided the creation of drama with a wealth of source materials, and set a new demand on it. People are expecting to watch vivid pictures one after another on the stage, which can truly reflect the present life seething with excitement and hard struggles, and to see with their own eyes the heroic bearing of real socialist pioneers one after another. They are expecting to draw strength from them in the interest of carrying out the four modernizations, and creating a new situation in socialist construction. Our drama workers should go with the tide of history without the slightest hesitation, take an active part in the present-day reforms, broaden their outlook on the forefront of struggles, accumulate knowledge, enhance abilities, enthusiastically reflect practical life, and create excellent modern dramas which are worthy of our times.

The development of the creation of modern dramas, and modern local operas in particular, is uneven. The conditions of various localities and types of dramas are not the same. However, generally speaking, they are facing a common problem of increasing quantity and improving quality. In particular, the problem of quality directly concerns the life and death of modern dramas. We should pay close attention to this. At present the number of modern dramas on stage, which have stood a severe test, and are loved by the broad masses of audiences, are still limited. The situation that "playwrights are not willing to compose modern dramas, troupes are reluctant to perform modern dramas, and audiences do not like to watch modern dramas" has not yet been completely changed. Of course, the creation of modern local operas is more complicated and difficult than the creation of dramas of other themes. It is precisely because of this that leading departments at various levels should show more concern and give more support to the creation of modern local operas. Practice has proved that the birth of any outstanding modern drama is inseparable from direct guidance and the specific help of the leaders concerned. We should be bold in "giving preferential treatment" to modern dramas, and vigorously assist them in terms of manpower, and financial as well as material resources. Those who have made achievements in creating modern dramas should be encouraged and given awards without delay. Experiments should be allowed. Even if they fail in experiments, we should not be overcritical or make unwarranted charges against them. At present we should continue to eliminate the "leftist" ideological influence, and resolutely implement the party's policy toward intellectuals. We should truly help drama workers solve their specific difficulties. As long as policy permits, we should improve their political and economic conditions in order to prevent further loss of playwrights, and attract more playwrights to engage in the creation of modern dramas. We should take active measures to encourage drama workers to constantly go directly to the front line of the four modernizations so that they will understand and be familiar with the new life and the new people. With regard to the path taken by modern dramas over the past 30 years, we should conscientiously and scientifically sum up both positive and negative historical experiences so that they will be useful for guiding the creation of modern dramas in future. At present a number of troupes are actively reforming their administration and management system. Some comrades set the creation of modern dramas against reform. It is incorrect for them to do so. Our purpose in carrying out structural reform is to arouse the enthusiasm of art workers. It is one of our purposes to produce good drama, including excellent modern drama.

I. 16 Jul 84

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Some troupes have taken the creation and performance of excellent modern drama as a gauge for testing the success or failure of the reforms of the troupes. This is an attitude worth commending.

We sincerely wish the performances to emulate modern dramas a success. They will become a new starting point of the broad masses of drama workers for scaling heights in the new historical period. Let us unite as one, work hard, create more excellent modern dramas, and make new contributions to creating a new situation in the art of socialist drama.

WANG ZHEN ADDRESSES COMPUTER CAMP CEREMONY

OW142214 Beijing XINHUA Domestic Service in Chinese 1446 GMT 12 Jul 84

[By reporter Huang Wei]

[Excerpts] Beijing, 12 Jul (XINHUA) -- Speaking at the 12 July opening ceremony for the first computer summer camp for Chinese youth, Wang Zhen, Political Bureau member of the CPC Central Committee, said that the computer summer camp is a very good activity for youngsters to learn about computers. He hoped that the summer camp will be held annually from now on. State Council Vice Premier Li Peng, Minister of Electronics Industry Jiang Zemin and Vice Mayor of Beijing Bai Jiefu also spoke at the opening ceremony. They hoped that the youngsters would have a good time and make progress in their studies during the summer camp. The first computer summer camp for Chinese youth is jointly sponsored by the Ministry of Electronics Industry and Beijing Municipality. The camp is located in Yantai City, Shandong. At the camp the youngsters will study the development and application for electronic computers in China, learn the basic knowledge and operations of microcomputers, and take part in a computer programming contest. They will also tour famous places and cultural sites in Yantai City. Attending the summer camp will be 180 middle school students from Beijing Municipality, Yantai City and departments under the Ministry of Electronics Industry.

PARTY, STATE LEADERS ATTEND TEA FOR NEW FIRM

OW151444 Beijing XINHUA in English 1430 GMT 15 Jul 84

[Text] Beijing, July 15 (XINHUA) -- A incorporation specialized in importing and exporting the up-to-date technologies was set up here today, Rong Yiren, president of the China International Trust and Investment Corporation, disclosed at a tea party held at the Great Hall of the People. Rong Yiren further noted that the Poly Technologies Incorporation, which was organized by his corporation, is designed to import the up-to-date technologies from other countries. The incorporation has established contacts with more than 80 companies in over 20 countries and regions since it started business last January. Among the more than 300 people attending the tea party were party and state leaders Wang Zhen, Yang Shangkun, Yu Qiuli and Song Ping, and leading members of the related government departments.

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PRC REGIONAL AFFAIRS
EAST REGION

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FUJIAN'S XIANG NAN ON PARTY RECTIFICATION

OW150026 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 10 Jul 84

[Excerpts] The Fujian Provincial CPC Committee called an enlarged meeting of its Standing Committee on 30 June. On behalf of the Standing Committee, Xiang Nan, first secretary of the provincial CPC Committee, gave a report on the comparison and examination in party rectification, entitled: "Develop the Economy, Facilitate Reform, and Bring About a Fundamental Turn for the Better in the Three Fields in the Spirit of Party Rectification.

The Standing Committee of the provincial CPC Committee launched the party rectification in the second half of December last year. While diligently studying the party rectification documents, holding heart-to-heart talks, extensively soliciting opinions of comrades inside and outside the party, and conducting investigation and study in the past 6 months or so, the Standing Committee spent more than 2 months concentrating efforts on examining the Standing Committee itself, the current issues, the new leading body, and the progress in creating a new situation in the spirit of the general task and general objective put forth by the 12th CPC National Congress and the central leading comrades' requirements for the work of Fujian and in the light of reality in the work and ideology. The Standing Committee's report on comparison and examination was divided into three parts: first, problems that had been solved in the course of party rectification; second, major shortcomings and errors existing in the Standing Committee; and third, preliminary suggestions for improving future work.

After delivering the report on behalf of the Standing Committee, Comrade Xiang Nan expressed the earnest hope that all participants would conscientiously review the Standing Committee's report on comparison and examination and offer criticism and suggestions concerning problems in which the Standing Committee had failed to maintain ideological and political unity with the central authorities in order to help the Standing Committee further carry out the current party rectification.

FUJIAN ECONOMIC REFORM, RECTIFICATION VIEWED

OW132343 Beijing XINHUA Domestic Service in Chinese 0834 GMT 7 Jul 84

[Newsletter by XINHUA reports Xu Yiming and Wang Weizhong: "They Are on the Forefront of Reform -- on Leading the Economic Reform in Fujian's Cities"]

[Excerpts] Fuzhou, 7 Jul (XINHUA) -- In discussing the restructuring of the economy in cities at present and its momentum, people cannot but recall the appeal made by a number of enterprises in Fujian Province in early spring this year calling for "removing restrictions" and "giving them more decisionmaking power." The tides have quickly extended to many cities and townships throughout the country. We were told by those who understood the actual situation that the reform activities were not only demanded by enterprises at the lower level but also promoted and supported by Fujian's leading organs -- the Fujian Provincial CPC Committee and the provincial People's Government. The provincial leading organs have been standing on the forefront of the reform.

In the course of party rectification, the Fujian Provincial CPC Committee has had the courage to solve various problems.

The members of the provincial CPC Committee realized that slowness in carrying out economic reform in Fujian's cities was mainly due to problems in their own ideology and lack of determination and courage in making progress through reform. They realized that it would be impossible to lead successfully the restructuring of the economy in Fujian's cities if they did not change their mental outlook and take the lead in having a correct ideology and attitude toward reform.

After setting right their understanding, the provincial leaders have acquired a new perception on the urgency of reform. They pointed out: Not carrying out reform work would be agreeable to individuals. Individual cadres could save a lot of trouble and carry out their routine work smoothly. However, the cause for which we are fighting would suffer. If we grasp reform in our work, we will naturally find some contradictions and meet with resistance and may even find ourselves "being attacked from all sides." But in this way, our great cause of the "four modernizations" will make headway through reform. Accordingly, the provincial leaders made up their minds to promote Fujian's economic work through restructuring the economy.

The rapid development of economic reform in cities has promoted the development of economic work in the whole province. The total value of industrial output in Fujian Province during the first 5 months this year increased by 13.7 percent as compared with that of the same period last year. Industrial profits increased by 15.6 percent and taxes and profits delivered to the state rose by 16.5 percent during the same period, all exceeding the national average speed of increases.

JIANGSU'S HAN PEIXIN SPEAKS ON RECTIFICATION

OW131043 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 9 Jul 84

[Text] This afternoon, the Jiangsu Provincial CPC Committee called a meeting of party member-leading cadres of provincial level units and institutions of higher learning in Nanjing. The meeting particularly discussed how to study and implement Circular No 9 of the Central Commission for Guiding Party Rectification and how to mobilize party members to devote some time to rectifying party organizations and correcting mistakes.

Responsible comrades of the provincial CPC Committee attended the meeting, including Han Peixin, Shen Daren, Sun Han, Zhou Ze, Ye Xutai, and Luo Yunlai. Also present was (Wang Zhisheng) of the liaison group in Jiangsu of the Central Commission for Guiding Party Rectification. Shen Daren, deputy secretary of the provincial CPC Committee, presided over the meeting.

Han Peixin, secretary of the provincial party committee, made a mobilization report. In dealing with the current situation in party rectification, Comrade Han Peixin said: In the past 6 months, the party organizations in the first and second groups of provincial-level units carrying out party rectification have conscientiously implemented the CPC Central Committee's decision on party rectification and a series of directives issued by the Central Commission for Guiding Party Rectification. Overall, party rectification has unfolded in a fairly healthy way, and tremendous achievements have been made. In some aspects, however, we still fall short of the CPC Central Committee's decision on party rectification and the requirements set by the Central Commission for Guiding Party Rectification. For example: Some units and comrades have not yet seriously examined the problem of taking advantage of one's power to seek personal gain and the serious problem of bureaucracy; some units have not yet made vigorous efforts to eliminate the influence of leftist ideas and to overcome old ideas and conventions unsuitable for the new situations for the new situation and new tasks.

As for the complete negation of the Cultural Revolution, the first group of units carrying out party rectification has not discussed it as a special topic. When it was stressed that remedial measures must be taken by units falling short of the requirements of party rectification, most of them have done so, but a few of them have failed to do so. Conscientious efforts must be made to solve all such problems.

Comrade Han Peixin said: The Central Commission for Guiding Party Rectification pointed out in its Circular No 9 that all units carrying out party rectification, after finishing the comparison and examination phase, should devote about 3 months to thoroughly rectifying their party organizations and correcting their mistakes. This timely and important decision accords completely with the situation in our province. This is absolutely necessary for further solving problems in ideology, work style, organization and discipline, as well as for deepening party rectification, developing the results of party rectification, and promoting economic reform, economic construction, and other fields of work. Comrade Han Peixin hoped that the party committees or leading party groups of units carrying out party rectification would further unify their understanding and make conscientious efforts to effectively rectify party organizations and correct mistakes.

In his mobilization report, Han Peixin pointed out: In July, August, and September of this year, the first group of units carrying out party rectification should concentrate on rectifying party organizations and correcting mistakes. In the same period, the second group of units should also do so while making comparison and examination. In accordance with the four requirements set by Circular No 9 of the Central Commission for Guiding Party Rectification and in light of the actual conditions in our provincial-level organs, particular efforts should be made to solve the following six problems in the course of rectifying party organizations and correcting mistakes:

1. Further follow the correct guidelines for our work to promote reform in various fields;
2. Completely negate the Cultural Revolution, eliminate factionalism, and strengthen our party spirit;
3. Seriously investigate and punish those involved in cases of serious bureaucracy;
4. Seriously handle the problem of taking advantage of one's power to seek personal gain;
5. Reduce the number of documents and meetings, and effectively improve our work style; and
6. Conscientiously solve major problems in leading bodies.

In conclusion, Han Peixin stressed that the party committees or leading party groups of provincial-level organs must effectively strengthen their leadership over the effort to rectify party organizations and to correct mistakes. At the same time, they must effectively grasp production and other work. They must make overall plans and arrangements and take all factors into consideration in order to do a good job in party rectification, production, economic construction, and other work. It is necessary to make new progress in party rectification and all fields of work by devoting a period of time to rectifying party organizations and correcting mistakes.

JIANGSU INCREASES INDUSTRIAL, GRAIN OUTPUT

OW142224 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 8 Jul 84

[Text] Jiangsu Province has increased its industrial production while reaping a good harvest of summer grain crops in the first six months of the year. From January to June, the value of Jiangsu's total industrial output was 31.6 billion yuan, an increase of 15.6 percent as compared with the same period last year.

The total provincial revenue during the January-June period was 3.89 billion yuan, an increase of 16.4 percent over the corresponding period last year. There were also significant increases in output value and in profits in various state-owned and local industrial enterprises. The output of summer grain crops in the province totaled 22.95 billion jin this year, an increase of 2.2 billion jin, or 10.8 percent over the same period last year. This year's output of summer grain crops in Huaiyin, Xuzhou and Lianyungang increased by 37.93 percent, 33.44 percent and 13.29 percent respectively as compared with last year. The main reasons for this year's good harvest of summer grain crops in the province are as follows:

1. The farm acreage sown in barley and wheat has been expanded.
2. The peasants' enthusiasm for farming has been greatly whipped up due to the implementation of the contracted responsibility system based on the household with renumeration linked to output. Peasants have successfully carried out farming with a scientific approach, and strenuous efforts have been made to overcome natural disasters such as drought, hailstorms and low temperatures.

NANJING PLA AIR FORCE ANNOUNCES CODE OF CONDUCT

OW150038 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 10 Jul 84

[Text] At an office mobilization meeting on party rectification held on 10 July, Zheng Zhubo, political commissar of the Air Force of the Nanjing Military Region, announced on behalf of the Standing Committee of the CPC Committee, an eight-point regulation for leading cadres to be strict with themselves and accept the supervision of the masses.

While studying the decision on party rectification and the speeches by Comrades Deng Xiaoping and Chen Yun, members of the Standing Committee of the Nanjing Military Region Air Force CPC Committee conducted earnest and serious discussions in the light of actual situations in the Air Force. They held that the office of the Nanjing Military Region Air Force was a unit seriously damaged by the Cultural Revolution. It is a major unit in carrying out party rectification. The key to successfully conducting the current party rectification lies in the understanding, attitude, resolution, and action of us leaders. We must set a good example.

After unifying the thinking, the Standing Committee announced the eight-point regulation for accepting the supervision of the masses. The main contents of the regulation are to carry out the CPC Central Committee's decision on party rectification in an exemplary way by taking the initiative to eliminate the leftist influence and thoroughly negate the theory and practice of the Cultural Revolution, continue to sort out the three types of persons while not getting entangled in settling old scores, eliminate factionalism and enhance party spirit, conscientiously conduct criticism and self-criticism and have the courage to expose problems and not to cover up or defend shortcomings, firmly tackle problems about which the masses complain the most, and correct mistakes in the course of the study and rectification, take resolute action to investigate and handle problems concerning the use of one's position and power to seek personal gains as soon as a problem is reported, correct errors in leadership and work style and answer questions raised by the masses in good time, and dare to make reform and put forward new ideas by conducting in-depth investigation and study on one's work -- in accordance with the requirements for reform in the building of the Air Force set by the party committee -- and by making concrete suggestions for solving successive problems.

GUANGDONG LEADER ADDRESSES RECTIFICATION RALLY

HK130826 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Jul 84

[Text] Yesterday morning, the CPC Rectification Guidance Office of the provincial CPC Committee held a mobilization rally for cadres of the second batch of units at the provincial level to carry out party rectification.

At the rally, Lin Ruo, secretary of the provincial CPC Committee and head of the CPC Rectification Guidance Office of the provincial CPC Committee, emphasized: The second batch of units to carry out party rectification must do well both in comparison and examination and really grasp well rectification and correction of defects. Comrade Lin Ruo said: Simultaneous rectification and correction of defects is an important principle of party rectification. In the stage of studying documents on party rectification, we must penetratingly mobilize the masses with rectification and correction of defects. In the stage of preparations for conducting comparison and examination, we must, with rectification and correction of defects, mobilize party members to discuss important matters and the principles of work of our units. After the basic completion of comparison and examination, we must organize rectification and correction of defects in an all-round way and must regard rectification and correction of defects as the continuation and development of comparison and examination. At present, in rectification and correction of defects, we must mainly grasp reform.

Comrade Lin Ruo also said: Since the progress in comparison, examination, rectification, and correction of defects of the second batch of units to carry out party rectification varies, we must proceed from the realities of our own units and must not demand uniformity in everything.

LIN RUO AT GUANGDONG CONFERENCE ON ENTERPRISES

HK131455 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 12 Jul 84

[Text] The 5-day provincial work conference on township and town enterprises ended in Guangzhou today. The meeting was sponsored by the provincial CPC Committee and People's Government. In the course of the meeting, responsible comrades of the provincial CPC Committee government, including Lin Ruo, Du Ruizhi, Lin Botang, and Kuang Ji, delivered reports or made speeches.

In accordance with the spirit of the Central Documents No 1 and 4 of this year, the meeting summed up the work on township and town enterprises in our province, exchanged experiences, and formulated plans and measures for speeding up the development of township and town enterprises in our province. The meeting held: Since the 3d Plenary Session of the 11th CPC Central Committee, the township and town enterprises in our province have developed considerably. By the end of last year, the number of township and town enterprises throughout the province had increased to more than 88,000 with a total number of 2.15 million workers and staff members and a total income of more than 7.27 billion yuan, an increase of 138 percent over 1978. Developing township and town enterprises is not only needed for developing the rural economy and building new socialist rural areas with Chinese characteristics but also of decisive significance in speeding up the economic development of our province and achieving the grand objective of quadrupling the gross value of industrial and agricultural production.

While summing up the achievements, the participants also noted the wide gap between the rate of development of township and town enterprises in our province and that of advanced regions as well as the uneven development of the enterprises.

The meeting stressed: In order to speed up the development of township and town enterprises in our province, it is necessary to regard the development of township and town enterprises as a task of great strategic importance in line with the spirit of lifting restrictions and carrying out reform. We should continuously eliminate the pernicious influence of leftist ideas and resolutely relax the policy. This is our general guiding principle. It is necessary to protect and support township and town enterprises. We should not adopt a jealous policy and put under state management the township and town enterprises which are being run satisfactorily and which are making a lot of money, nor should we change their forms of ownership.

GUANGDONG ISSUES CIRCULAR ON ARMY SUPPORT

HK130837 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Jul 84

[Text] It will be the 57th anniversary of the founding of the Chinese PLA on 1 August this year. The provincial government issued a circular yesterday demanding that around Army Day on 1 August, all places take suitable measures based on local conditions to carry out in a down-to-earth manner the activities of supporting the Army and giving preferential treatment to the family members of martyrs and armymen in order to further maintain a close relationship between the Army and the government and between the Army and the people.

The circular demands: All places must seriously organize militiamen and the masses to learn the new military service law. Moreover, they must vigorously publicize the important contributions made by the PLA and the People's Armed Forces in all aspects. The circular further demands: Government at all levels must examine the situation in implementing the policies on giving preferential treatment to family members of martyrs and armymen. Regarding the family members of martyrs and armymen who lack labor forces, we must promptly organize young people and militiamen to help with farmwork.

FRONTIER GUARDS PROTECT PEASANTS IN GUANGXI

HK140840 Beijing ZHONGGUO XINWEN SHE in Chinese 1335 GMT 13 Jul 84

[Report by reporter Guo Wei: "Guangxi Begins To Reap Early Rice; Frontier Guards Repulse the Enemy To Protect the Grain" -- ZHONGGUO XINWEN SHE headline]

[Text] Nanning, 13 Jul (ZHONGGUO XINWEN SHE) -- Guangxi began to reap its 17.8 million mu of early rice recently, and the Chinese frontier guards have strengthened their patrols along the Chinese-Vietnamese border to drive back the harassing Vietnamese troops and protect the peasants while they harvest the crops.

In light of the present harvesting situation, some agricultural experts said that due to serious natural disasters the output of early rice in Guangxi this year will be a bit lower than that of last year -- a bumper harvest year. This spring Guangxi suffered a serious drought. The transplanting of rice seedlings was postponed for about 10 days. In May and June rain storms hit the region, and there was insufficient sunshine during this period. This spring the area planted to peanuts, sugarcane, jute, and bluish dogbane was expanded by 470,000 mu. The output of these industrial crops will increase. The output of watermelon, muskmelon, and other melons have increased by more than 100 percent over the past year.

Since the summer harvest, as Vietnamese troops unceasingly harassed the Guangxi border, the Chinese frontier guards have strengthened their patrols along the boundary line.

On 4 July, when Vietnamese troops fired from Gaobaling on the peasants of Banxing brigade, Fancheng County, who were in the fields bringing in the rice, the Chinese frontier guards immediately returned fire. They thus neutralized the enemy's fire and covered the peasants' evacuation from the fields. At present, the peasants along the border are rushing to harvest the early rice. The frontier guards have also sent out troops to help them get in the rice.

GUANGXI RESIDENTS CAPTURE VIETNAMESE AGENTS

HK130735 Beijing ZHONGGUO XINWEN SHE in Chinese 0830 GMT 12 Jul 84

[Report: "Resourceful Border Residents Get Rid of Vietnamese Special Agents" --
ZHONGGUO XINWEN SHE headline -- (originally printed in JIEFANGJUN BAO)]

[Text] Beijing, 12 Jul (ZHONGGUO XINWEN SHE) -- On the morning of 27 May, Huang Peilan, a female member of the Banwang brigade of Pingxiang City, Guangxi, on her way uphill to collect firewood, discovered five fully armed Vietnamese special agents who had furtively slipped across the border into our country to carry out espionage and disruptive activities. Although she was five months pregnant, she ran downhill for cover. Without a moment's delay, she reported the matter to militia platoon leader Huang Haowen and his wife, Huang Guixiang, who were working nearby. Huang Haowen immediately dropped his hoe and picked up a submachine gun he had brought with him. He climbed a peak and looked about while under cover. He saw the five men stealthily making their way at the foot of the mountain. Burning with rage, Huang Haowen wanted to get rid of the enemies right away. However, he only had two female commune members with him, both pregnant, including his wife Huang Guixiang was four months pregnant. Faced with the critical situation, Huang Haowen made a decision and told Huang Guixiang to run back to the village with the news. Meanwhile, he told Huang Peilan to hide beside a roadside clump of trees to keep watch. She was to give directions to the militiamen who would answer the call for help. He himself tailed the enemies, watching their movements. The area, high in the mountain, was thick with thorny growths. Huang Haowen alternately advanced and stopped to study things, resourcefully keeping track of the enemies.

Despite her straw sandals, Huang Guixiang made her way down the steep slope, running for some 2 kilometers before she reached the village with the news about the enemy. On learning about the matter, Huang Peilan's husband, Huang Jiechun dropped his rice bowl and rushed with others to the scene to join in the fighting. Encircled by the militiamen, two of the five Vietnamese special agents were killed and two were injured. The militiamen captured a Soviet-made submachine gun, 31 rounds of bullets, 2 antitank grenades, 1 dagger and a pair of binoculars.

After the fighting, the local authorities awarded Merit Citation Class I to Huang Haowen, Merit Citation Class II to Huang Peilan, and Merit Citation Class III to Huang Guixiang.

HUNAN'S MAO ZHIYONG ON COMPARISON, EXAMINATION

HK150608 Changsha Hunan Provincial Service in Mandarin 1100 GMT 14 Jul 84

[Text] Mao Zhiyong, first secretary of the provincial CPC Committee and head of the committee's CPC Rectification Guidance Office, and Xiong Qingquan and Jiao Linyi, secretaries of the provincial CPC Committee and deputy heads of the guidance group, recently listened to reports on the state of party rectification work in the provincial External Economic Relations and Foreign Trade Department, Light Industry Department, No 2 Light Industry Department, and Economics Committee, and the HUNAN RIBAO office.

Comrade Mao Zhiyong stressed: It is essential to set high standards in conducting comparison and examination in party rectification. He also put forward specific demands on strengthening education for party members.

After the Central Commission for Guiding Party Rectification issued its Circular No 9, responsible comrades of the provincial CPC Committee Standing Committee and the Hunan liaison group of the commission, together with members of the provincial CPC Committee's CPC Rectification Guidance Office, held study and discussion. In conjunction with the reality of current party rectification work in the province, they analyzed the situation of party rectification in the first batch of provincial units carrying out rectification and studied how to conduct comparison and examination in accordance with high standards and strict demands, put rectification and correction on a sound basis, and completely fulfill the party rectification tasks. They also decided that responsible comrades of the provincial CPC Committee should listen to reports from a number of units carrying out rectification, and provide specific face-to-face guidance.

After the party group of the provincial external economic relations and foreign trade department delivered its report on the morning of 11 July, Comrade Mao Zhiyong said: Comparison and examination is a key step in party rectification. In accordance with the spirit of the central instructions, we must uphold high standards and strict demands, and ensure good quality. Units that have already completed comparison and examination must carry out a review in line with the spirit of Circular No 7 of the Central Commission for Guiding Party Rectification. If there are shortcomings, they must make up for the missed lessons, where appropriate. Units that are now carrying out comparison and examination or have not yet started it must carefully organize it and seriously carry it out in accordance with Circulars Nos 7 and 9 of the Central Commission for Guiding Party Rectification.

How is comparison and examination reckoned successful? For the collective, the issues are: Have the main existing problems been identified? Are the majority of party-member cadres satisfied? Have the experiences and lessons been seriously summed up? Have criticism and self-criticism been seriously conducted? Has people's thinking been unified? Has the unity of the leadership group been strengthened? Have the measures for rectification and correction been proposed, and do they accord with the spirit of reform? As far as the individual is concerned, it is necessary to judge things in light of the party constitution's demands on party members and party-member cadres. Has the individual conducted sincere, profound, and truth-seeking self-criticism for his mistakes? Is he loyal to the party and does he speak truly and honestly? Is he clear about the future orientation for endeavor? Has his revolutionary spirit been aroused?

In order to do a good job of comparison and examination by individual party members, it is at present very necessary to conduct more education for the party members in four respects: in the criteria for party members, in correctly carrying out criticism and self-criticism, in loyalty and honesty to the party, and in totally negating the Great Cultural Revolution, strengthening party spirit, and eliminating factionalism. These issues are not just put forward in view of the situation in certain units. Every unit and department faces the problem of strengthening party spirit and eliminating factionalism.

Comrade Mao Zhiyong also stressed: There must be clear division of work between the two groups -- for grasping rectification and for grasping other work -- in the party groups and committees of all units carrying out party rectification. It is necessary to set up strict responsibility systems and ensure that both party rectification and economic work proceed smoothly. Through rectification we should stimulate reforms and economic and all other work.

HUNAN ANNOUNCES EXPULSION OF WANG ANYI FROM CPC

HK140311 Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Jul 84

[Text] According to HUNAN RIBAO, on 11 and 12 July, the Shaoyang Prefectural and City CPC Committees respectively held a meeting of subordinate organs and a meeting of responsible persons of factories, mines, and other enterprises to announce that, in accordance with the decision of the written reply of the provincial CPC Committee, Wang Anyi, a person of three categories, is to be expelled from the party, and the leading backbone element Peng Fusheng is also to be deprived of party membership. The provincial, prefectural, and city CPC committees also announced the decision to suspend (Yang Guangyuan) and six others from duty for screening or examination of problems.

The factional clique of Wang Anyi made a lot of trouble for 17 years for the purpose of gaining power and reaping benefits. As a result Shaoyang Prefecture and City knew no peace. The cadres and masses hated this situation. Wang Anyi was an ordinary cadre before the Cultural Revolution. As soon as the Cultural Revolution started, he organized mountain strongholds and fought factional warfare. He soon became the chief of a faction. On two occasions he led 180 to 200 people to storm the prefectural CPC Committee Standing Committee. He fought struggle by force on two occasions, resulting in over 50 casualties on both sides. On several occasions he incited certain people to grab and beat up leading cadres and the masses. Twice he caused or participated in troublemaking and in storming the CPC committees and public security organs.

After the smashing of the gang of four, and especially after the 3d Plenary Session of the 11th CPC Central Committee, Wang Anyi upheld the policies of the Cultural Revolution, organized mountain strongholds, carried out the establishment of ties, and pursued factional and nonorganizational activities. He stormed party and government organs, framed, surrounded, and attacked leading cadres, and staged one noisy scene after another.

The factional and nonorganizational activities of Wang Anyi reached their peak during the structural reforms last year; he regarded it as imperative to topple the new city CPC Committee by making trouble. At that time the HUNAN RIBAO office had some confidential materials exposing the factional activities of Wang Anyi and company. After they had illegally taken possession of this office, they printed and published materials in a big way and whipped up evil waves of factionalism, pointing the spearhead at structural reforms and the new city CPC Committee.

On 26 July, Wang Anyi and company burst into a meeting being held by the city CPC Committee to mobilize democratic recommendations for leading posts during structural reform. Wang Anyi jumped onto the first row of chairs and walked up and down on them, abusing the new city CPC committee as a rightist regime before the more than 100 cadres present, and slandering the responsible person of the Hunan work group of the Central Group for Guiding Structural Reform as a son of a bitch and threatening to fight him to the end.

At the crucial moment, Wang Anyi convened a meeting of backbone elements. (Yang Guangyuan), (Zhou Xinhua), (Gong Zhihua), (Liu Jiexiong) and others were all present. Wang Anyi said: In grasping the question of the confidential materials held by the newspaper office and the question of the responsible person of the Hunan working group, we must whip up a big noise as we did in the past by writing to the central authorities on executing the murderer (Zhou Jianbo). We must collect specific materials on the leaders of the new city CPC Committee. Afterwards, Peng Fusheng and (Zhou Zhonggi) took turns leading people to make trouble at the city CPC Committee organs. In less than three months, they stormed meetings, surrounded and attacked leading cadres, and disrupted work in the organs on as many as eight occasions.

Holding some power in their hands, Wang Anyi and company made use of each other and acted in collusion. They sought advantages for themselves and their factions and cohorts in matters of joining the party, recruiting labor, transferring people, raising wages, awarding subsidies, distributing housing, and so on. They also did everything possible to connive at and protect the bad people and deeds in their own small clique and to deal blows at and lay false charges against comrades who resisted them. They caused a pestilential atmosphere in certain departments and units.

Why did Wang Anyi and company make so much trouble for so long? Objectively speaking, Shayang was one of the major disaster areas of the Cultural Revolution. After the smashing of the gang of four, there had never been any attempt to negate the Cultural Revolution there, and the soil was fertile for the existence and development of factionalism.

The provincial CPC Committee's Document No 17 of 1981 and the speech of a responsible comrade of the provincial CPC Committee made an erroneous evaluation of Wang Anyi, from which he and his cohorts reaped political capital. Certain responsible persons in the former prefectural and city CPC Committee leadership groups regarded Wang Anyi as meritorious and representative of the correct line. Some of them took an attitude of sympathizing with Wang Anyi and company and even of abetting and supporting them. They thus became more and more arrogant. Certain leading members who lacked a selfless and fearless spirit dared not struggle for fear that they might get burned. As a result Wang Anyi and company exploited opportunities and loopholes. It is necessary to sum up very well the experiences and lessons in this regard.

At the Shaoyang meetings on 11 and 12 July, speeches were made by Yang Jianmin, a responsible person of the inspection group of the Central Commission for Guiding Party Rectification, and Huang Daoqi, a member of the provincial CPC Committee Standing Committee and director of the Organization Department. Huang Daoqi said: After the smashing of the gang of four, and especially after the 3d Plenary Session of the 11th CPC Central Committee, Wang Anyi continued to organize factions and engage in factional and nonorganizational activities. As a result Shaoyang Prefecture and City knew no peace. This was something rarely seen in the province and in the whole country.

The problem of Wang Anyi was not handled for a long time in the past. The provincial CPC Committee has summed up this experience and lesson. The provincial CPC Committee Standing Committee and the principal responsible comrades of the provincial CPC Committee have conducted self-examination. Today the prefectural and city CPC Committees too have summed up the experiences and lessons.

Through investigating the case of Wang Anyi and Peng Fusheng, we should further maintain a high degree of political unity with the CPC Central Committee, totally negate the Great Cultural Revolution, strengthen party spirit, and eliminate factionalism. Factionalism is a product of the Cultural Revolution civil war. The great majority of the masses who took part in the mass factional organizations at that time were good or relatively good. There were only a very few bad people. But generally speaking, all factions were born and carried out their activities under the guidance of the erroneous theory of continuing the revolution under the dictatorship of the proletariat. Hence, they were all wrong. The idea that one faction was correct has no leg to stand on. The party organizations at all levels must conduct education for party members and cadres in totally negating the Cultural Revolution. They must study afresh the resolution, and completely eliminate factionalism ideologically, politically, and organizationally.

The small number of people who took part in Wang Anyi's factional and nonorganizational activities, and who continued to carry out factional activities behind the back of the organization after the 3d Plenary Session of the 11th CPC Central Committee, committed serious mistakes and violated the party Constitution and party discipline. However, there were differences in the individual circumstances and the degree to which they participated in such activities. They must therefore be handled in a discriminating way. Those whose mistakes are relatively minor, who can conduct self-examination, and can resolutely correct their mistakes with practical deeds need not be held accountable. We must deal seriously with certain people who refuse to conduct examination and make a clean breast of things and persist in their mistakes.

SHAOYANG PLA REVIEWS ERRORS IN WANG ANYI CASE

HK150645 Changsha Hunan Provincial Service in Mandarin 2300 GMT 14 Jul 84

[Text] According to HUNAN RIBAO, by analyzing the typical case of Wang Anyi, the CPC Committee of Shaoyang Military Subdistrict has gained further understanding of the problems in three-support and two-military work, consciously eliminated leftist influence, and strengthened political awareness of maintaining unity with the CPC Central Committee.

Following the decision of the provincial CPC Committee on thoroughly screening Wang Anyi, a factional leader in Shaoyang during the Cultural Revolution, the Standing Committee of the Shaoyang Military Subdistrict CPC Committee conducted serious study and discussion. Armed with the resolution of the 6th Plenary Session of the 11th CPC Central Committee and the party rectification decision of the CPC Central Committee, they reviewed the Great Cultural Revolution in Shaoyang Prefecture and summed up experiences and lessons in three-support and two-military work.

(Huo Baoyou), member of the Standing Committee of the CPC Committee and deputy commander, said: Wang Anyi and company deceived many people by using the method of supporting the Army. In fact, the two big factions that appeared in Shaoyang Prefecture during the Cultural Revolution were both guided by erroneous leftist theory, and both aimed at seizing power and reaping benefit. There was no question of one faction being right and the other wrong. The Army's support of all factions was wrong.

(Wang Ziyu), member of the Standing Committee and deputy political commissar, said: When looking at problems, we must proceed from the interests of the party and people. The Great Cultural Revolution in the whole country lasted 10 years. Wang Anyi and company made trouble in Shaoyang for as long as 17 years. This caused great effects and losses on stability and unity and on economic construction in Shaoyang. Wang Anyi's disruption of Shaoyang explains in itself that support for the left in three-support and two-military work always meant supporting particular factions.

HUNAN DEPARTMENT NEGATES CULTURAL REVOLUTION

HK150621 Changsha Hunan Provincial Service in Mandarin 1100 GMT 14 Jul 84

[Excerpts] In the course of carrying out party rectification, the party group of the provincial Public Security Department has, in connection with reality, conducted ideological education in totally negating the Great Cultural Revolution for party members. Thus it has further eliminated factionalism, strengthened party spirit, and promoted all work.

This department was a major disaster area during the Great Cultural Revolution. The struggle between two factions was extremely fierce. Although the department had done a lot of work in eliminating factionalism and strengthening party spirit since the gang of four were smashed, and especially since the 3d Plenary Session of the 11th CPC Central Committee, the remnants of factionalist thinking still existed among some party members and party-member cadres. Some comrades replaced comradely feelings with factional feelings. Some even used factionalism to conceal shortcomings and errors. This encouraged the growth of unhealthy trends. Apart from affecting unity, this also had many disadvantages for reform.

When party rectification studies started, in view of these phenomena, the party group of the department organized the party members to repeatedly study the resolution on a number of questions in the history of the party since the founding of the state and the important utterances of leading central comrades on totally negating the Great Cultural Revolution.

I. 16 Jul 84

P R C R E G I O N A L A F F A I R S
SOUTHWEST REGION

Q 1

GUIZHOU PROBLEMS IN RECRUTING INTELLECTUALS

HK140543 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 13 Jul 84

[Excerpts] The CPC Committee of the provincial CPC Committee organs held a meeting of responsible persons of party organizations of subordinate units on 13 July to make arrangements for implementing the spirit of the provincial forum on recruiting party members.

A responsible person of the CPC Committee of the provincial CPC Committee organs made a speech focusing on recruiting party members. He pointed out: Recruiting intellectuals into the party is an important component part of implementing the principles for party recruitment work in the new period. We have done some work and scored some success in this respect since the 3d Plenary Session of the 11th CPC Central Committee. As a result, the proportion of party members in the organs who have education levels of senior secondary school and above has increased from 50.7 percent to 54.1 percent. However, there are still some problems in this work. For instance, some units have not made much headway. Some have not yet recruited a single intellectual into the party. The main reasons are: Some people lack sufficient understanding of the importance of recruiting intellectuals into the party; and some are still prejudiced against intellectuals. We must therefore step up education in party spirit for these party members.

SICHUAN'S YANG RUDAI STRESSES INTELLECTUALS POLICY

HK131449 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 13 Jul 84

[Text] Yesterday, at the provincial forum on the work of exchanging talented personnel, provincial CPC Committee Secretary Yang Rudai made a speech on the issue of strengthening our work relating to intellectuals and enabling the emergence of a fine general mood in society all over the province, of esteeming knowledge and intellectuals, giving full play to the role of vast numbers of intellectuals in the four modernizations, and revitalizing Sichuan's economy. Comrade Yang Rudai's speech was divided into four sections:

1. We should heighten our understanding of the importance and urgency of the work related to intellectuals from the plane of our strategic principles. Comrade Yang Rudai said: Implementation of our policies toward intellectuals and strengthening our work relating to them is an issue that the CPC Central Committee has always shown great concern about in the process of bringing order out of chaos and destroying the old and establishing the new since the 3d Plenary Session of the 11th CPC Central Committee. In order to revitalize Sichuan's economy, in order to make our people rich and enable our province to catch up with the advanced provinces, and in order to attain the general goal put forth by the 12th CPC National Congress, we should regard giving full play to the vast number of intellectuals as a major strategic guiding ideology. There are a total of 840,000 technological and professional cadres in the natural and social science fields in our province. We must rely on the strength of this contingent in the construction of both our material and spiritual civilizations. Giving play to the role of knowledge and intellectuals is not only of great significance for promoting our economic development and our intellectuals' development and for deepening our reforms and our work of opening up to the outside world, but is also a problem that we urgently need to solve in meeting the challenge of technology. During the party rectification, we should regard the further implementation of our policies toward intellectuals as an important constituent part of the rectification. This not only indicates whether our principle of work is correct, but also symbolizes the extent to which we have satisfactorily built up our leading groups and overcome bureaucracy.

2. We should continue to implement our policies toward intellectuals and to stabilize and strengthen the province's professional and technological contingent. Comrade Yang Rudai said: Since the 3d Plenary Session of the 11th CPC Central Committee, and particularly since the 12th CPC National Congress, the various areas and departments in our province have done a great amount of work in implementing the policies toward intellectuals and have thus solved some problems. However, the work of implementing the policies toward intellectuals has developed very unevenly. In some areas, departments, and units, the policies have not been actually implemented. Viewing the province as a whole, we should continue to adopt the principle of stabilizing and strengthening our professional and technological contingent. In order to stabilize and strengthen our province's professional and technological contingent, we should continue to implement our policies toward intellectuals in order to give full play to the role of our professional and technological personnel. We should solve, through rational readjustment and transfer of personnel, the problem of some of our professional and technological cadres being employed in posts that are not related to what they have studied and are good at and the problem of a large number of scientific and technological workers being underemployed and wasted in some of our units. We should bravely break rules to select and promote into leading posts at various levels the fine cadres among our intellectuals who are relatively young, are both virtuous and talented, have management competence, and are suited to taking up the work of leadership. This is an issue that our departments and governments at all levels should pay attention to in reorganizing and strengthening their leading groups, particularly in establishing the third echelon. We should continue to solve the problems relating to the difficulties for our intellectuals in obtaining party membership. The upper-level organizational departments should carry out inspection in, and strengthen concrete guidance over, the units that have for a long time failed to recruit party members from among intellectuals, in order to change this situation as soon as possible. We should continue to improve working and living conditions for our intellectuals.

3. We should conscientiously exchange personnel and promote the rational movement of personnel. Comrade Yang Rudai said: Developing personnel exchanges is an important measure to enable us to employ our intellectuals rationally and give full play to their role. In light of realities in our province and under the precondition of stabilizing and strengthening our province's contingent of scientific and technological workers, in developing the rational movement of talented people and intellectuals and exploiting intellectual resources at present, we should focus on satisfactorily grasping the work of continuing to recruit talented people and encouraging our scientific and technological workers, in accordance with a rational direction of the flow of personnel, to go to work in the areas that urgently need talented people. We should conscientiously and satisfactorily do the work related to the movement of intellectual resources. Without changing the places and units in which our intellectuals work, they can serve other units by means of contract work and by providing support to units of the same professional line and technological advisory services in various forms. Under the prerequisite of ensuring the fulfillment of the tasks of their posts, both in quality and in quantity, our professional and technological cadres of various kinds can be recruited by other units to take on part-time jobs, give lectures, or work as part-time technology instructors or advisers. We should give play to the role of retired, old intellectuals, letting them undertake the work of intellectual development and the provision of technological advisory services. By so doing, we will enable them to have income, play their role, and enjoy their work, in spite of their old age. We should gradually establish personnel exchange and service centers and thus set up a provincial network to exchange personnel.

4. In the spirit of reforms and blazing new trails, the whole party should attach importance to, and satisfactorily do the work relating to intellectuals. Comrade Yang Rudai said: Satisfactorily doing the work relating to intellectuals is a task for the whole party and a common duty for our party committees at all levels. Whether or not we have conscientiously implemented our policies toward intellectuals and given play to their initiative is one of the important criteria to evaluate the quality of leadership work in an area or unit. In order to satisfactorily do our work related to intellectuals, we should sincerely and earnestly show concern for intellectuals and our hearts should beat as one with our intellectuals. In doing our working relating to intellectuals, our work style should be sound, realistic, and practical and we should pay attention to solving actual problems and be particular about practical effects. In order to satisfactorily and flexibly do our work relating to intellectuals, we must aspire to carry out reforms and blaze new trails.

Comrade Yang Rudai concluded: At the enlarged plenary session of the provincial CPC Committee last April and the session of the provincial People's Congress last June, a series of principles, policies, and measures were put forth to revitalize Sichuan's economy. The urban and rural reforms and the industrial and agricultural production throughout the province [wor's indistinct] the deepening of the reform and the development of our economy require us to continue to strengthen our work relating to intellectuals and more satisfactorily give play to the role of intellectuals. Throughout our province, we should establish a fine general mood in society of esteeming knowledge and intellectuals. By so doing, we will be able to give better play to the wisdom and talents of our intellectuals and we will have a more reliable guarantee for the revitalization of Sichuan's economy.

Today's issue of SICHUAN RIBAO publishes a report on Yang's speech on the front page and a commentator's article on this titled "Correct Our Thinking and Understanding and Consciously Implement the Policies Toward Intellectuals"

SICHUAN MEETING DISCUSSES RECTIFICATION ISSUES

HK160237 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 15 Jul 84

[Excerpts] According to SICHUAN RIBAO, the provincial CPC Committee's Party Rectification Guidance Office held a party rectification work conference on 13 and 14 July to study and implement the spirit of Circular No 9 of the Central Commission for Guiding Party Rectification. The meeting demanded that all units carrying out party rectification insist on high standards and strict demands and do a thoroughly good job of work during the stage of rectification and correction. Comrades Yang Rudai and Nie Ronggui made speeches.

The meeting held: In the previous period, the provincial organs and units paid attention to conducting simultaneous rectification and correction of defects and gained a certain degree of success. However this must not be overestimated, since many problems remain to be solved. After completing comparison and examination, it is very important to spend a period of time in rectification and correction. In light of the present conditions, the meeting stressed that the following tasks must be grasped well:

I. Further correct the guiding ideology for professional work. The party groups and committees of units carrying out party rectification must continue to emancipate their minds, eliminate leftist influences, and be bold in carrying out reform. Units that have already proposed initial reform schemes must vigorously grasp their implementation and score tangible results.

2. Continue to conduct education for the party-member cadres and party members in totally negating the Great Cultural Revolution. It is essential to eliminate factionalism and strengthen party spirit. Judging by the present situation, the majority of units are holding serious study and discussion. A few units have not done enough in solving problems in an appropriate way. They have failed to clarify and correct the erroneous ideas exposed. Some units have not seriously solved the problem of factionalism, and a few units just let things go on as they are.

The party groups and committees of all units must strengthen specific guidance. They must solve the existing problems in connection with reality, with specific goals, and also guard against settling old scores and competing to be in the right. It is necessary to help a few comrades who made mistakes in the Great Cultural Revolution to seriously sum up the experiences and lessons. Leading cadres must play an exemplary role in study. They must not become protectors of factionalism.

3. It is necessary to carry out thorough investigations of serious cases of bureaucratism that have caused major economic and political losses to the state, together with problems of using powers to pursue private interests. This is a focal point of rectification and correction, and it was also a weak link in party rectification in the previous stage. The leaders of all units must be determined to solve this problem well.

4. Seriously solve the existing major problems in ideology, work style, and organization in the leadership groups, and strengthen the building of these groups.

5. Get a good grasp of implementing the party policies on intellectuals, Overseas Chinese affairs, Kuomintang personnel who surrendered to us, and on problems left over regarding the underground party.

6. The party groups and committees of all units must strengthen leadership over party rectification. They must make proper and all-round arrangements for rectification and correction, weeding out people of three categories, other party rectification work, economic work, and all professional work.

AN PINGSHENG RECEIVES HOANG VAN HOAN IN YUNNAN

HK130330 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 12 Jul 84

[Text] Hoang Van Hoan, a revolutionary of the older generation held in high esteem by the Vietnamese people, has recently visited Kunming. He left for Beijing this morning. Upon his arrival to and departure from Kunming, responsible comrades of the provincial CPC Committee and Kunming Military Region, including An Pingsheng, Zhang Zhixiu, Xie Zhenhua, Li Qiming and Liang Jia, as well as leading members of relevant departments, received and saw him off at the airport.

During his stay in Kunming, on separate occasions Hoang Van Hoan received representatives of Vietnamese nationals residing in various places in the province, and met several hundred Vietnamese nationals residing in Kunming.

The Vietnamese nationals are very happy to see that Hoang Van Hoan is in good health and full of energy. During the receptions, Hoang Van Hoan encouraged the Vietnamese nationals to follow the teachings of the late Chairman Ho Chi Minh in making new contributions to safeguarding and developing the traditional friendship between the Chinese and Vietnamese peoples and to the four modernizations of China. The representative of Vietnamese nationals participating in the receptions and the Vietnamese nationals have been greatly inspired.

L. 16 Jul 84

PR C R E G I O N A L A F F A I R S
NORTH REGION

R 1

LI XIMING URGES CYL DO REFORM WORK IN BEIJING

JW160135 Beijing Domestic Service in Mandarin 1200 GMT 12 Jul 84

[Text] Li Ximing, secretary of the Beijing Municipal CPC Committee, said at a work meeting of the municipal CYL Committee today: While our urban economy is being reformed, the CYL should do everything possible to have its work meet the needs of this reform and serve still better the purpose of the four modernizations.

Attending today's meeting were some 190 secretaries of CYL committees of districts, counties, bureaus, and institutions of higher learning in Beijing, as well as units directly under Beijing's jurisdiction.

In a speech delivered at the meeting, Li Ximing explained the necessity of urban economic reform by stating his personal experience and citing lively and concrete examples. He pointed out that, confronted with the new situation where reform is being carried out, the CYL should change the system, guiding the thought and method of its work in such a way as to cope with this new situation. The CYL should learn the work of reform, give publicity to it, and take part in it. In doing reform work, the CYL should display its intelligence and wisdom and act as a promoter of this work.

HEBEI'S GAO YANG ON REFORMING TAX COLLECTION

OW150008 Beijing XINHUA Domestic Service in Chinese 1237 GMT 11 Jul 84

[Excerpts] Shijiazhuang, 11 Jul (XINHUA) -- XINHUA editor's note: It is the duty of all citizens, including peasants, to pay taxes according to law in order to accumulate funds for national construction. For many years, due to ineffective education among our cadres and an inadequate taxation organization and system, tax evasion has been rather serious in some localities. The leadership at various levels should pay close attention to this problem. It is necessary to reiterate that a reasonable taxation policy must be implemented. Cadres should be taught to eliminate biased "benevolent" views and strengthen and improve the taxation work. The work to lighten the peasants' unreasonable burden should be continued; but it is a completely different matter with the implementation of a reasonable taxation policy. It is necessary to support taxation personnel, who collect taxes according to the policy, and help them solve problems in their practical work. Of course, it is also necessary to correct the erroneous practices of some taxation personnel who violate the policy. [end editor's note]

During a recent inspection of the rural areas in Baoding Prefecture and a work briefing by the provincial Finance Department, Gao Yang, first secretary of the Hebei Provincial CPC Committee, pointed out: It is necessary to educate the cadres to get rid of biased "benevolent" views and strengthen and improve taxation work.

Gao Yang said: Taxation work has entered a new phase. We now have more sources of tax revenues than before because the production of county-run industry has improved and brought more revenues, town and township industry has developed rapidly, and the income of specialized households has also increased by big margins. However, because of the inadequate taxation system and inefficient taxation personnel, tax evasion has been rather serious. Having financial difficulties, most counties lack sufficient funds, operating expenses and construction funds, which seriously affects economic and cultural construction.

Gao Yang said: Collecting taxes according to government policy should not be considered an aggravation of the unreasonable burden on the peasants. Only arbitrary collection of funds can constitute a heavy burden on the peasants.

Gao Yang held that it is necessary to improve taxation work from the following three aspects:

First, it is necessary to do a good job in publicity by telling the people that it is the citizen's duty to pay taxes according to the Constitution.

Second, it is necessary to improve the work method of taxation personnel and improve the relationship with taxpayers.

Third, to alleviate the shortage of taxation personnel, it is necessary to recruit senior middle school graduates, who can reside in either urban or rural areas, train them for a couple of months, and let them take part in the taxation work after they sign a contract.

HEBEI GOVERNOR DISCUSSES CARRYING OUT REFORM

HK131309 Shijiazhuang HEBEI RIBAO in Chinese 26 Jun 84 pp 1, 2

[Article by Zhang Shuguang, secretary of the provincial CPC Committee and provincial governor: "Be Bold in Carrying Out Reform, Open Up a Path To Make Progress" -- to be published in the forthcoming issue of HEBEI XUEKAN No 4, 1984]

[Text] China is living in a new historical period of great change. The spirit of the 12th CPC Congress, that is, to destroy the old and to blaze new trails, has struck root deeper and deeper in the hearts of the people. More and more cadres and people are gaining a good grasp of it. Also, it has produced, and continues to produce, an enormous material force.

I

To carry out reform is to destroy the old and to blaze new trails. The aim of carrying out reform is to develop productive forces. The old here refers to all things that do not conform to, but instead hinder the development of productive forces; and the new here means everything that conforms to and promotes the development of productive forces. The contradictions between productive forces and production relations are the basic contradiction of social development. In a class society, such a contradiction is antagonistic, which is reflected through fierce class struggle. In a socialist society, however, such a contradiction is not antagonistic. The two accommodate each other while contradicting each other. Through the socialist system, this situation can adjust itself to settle the unsuitable part. We must destroy everything that does not conform to the development of productive forces, and we must support any new thing that conforms to the development of productive forces. Such action is called reform.

At present, the tendency of implementing reform is spreading throughout the country. This irresistible trend has formed in all directions and in every trade. Backward systems such as "eating from the same big pot;" malpractices of distribution such as egalitarianism, management systems which hinder the development of productive forces, fixed and simple administrative means such as "acting indiscriminately," and some kinds of "leftist" and other forces of habit; and outdated concepts such as shackles on the mind are being washed away by the trend of reform. The profoundness of this reform will by no means be inferior to that of the "land reform" or that of the "socialist transformation." Moreover, our reform faces the challenge of the world's new technological revolution.

We must quicken our pace and destroy all forms, systems and structures of production relations, political ideology, and work and organization that do not conform to the development of productive forces. We must do this until we cover everything within the scope of ideology in the realm of the superstructure. We must establish a series of innovative methods which conform to the development of productive forces and which can mobilize the initiative of the people. We must mobilize the initiative of all people, including the workers, peasants, intellectuals, and cadres. We must get rid of everything that restricts, hampers, acts against, and dampens the initiative of the people. We must replace them with assistance, support, and development. The core of reform is to fully mobilize the initiative of the people. This is because man is the most active and decisive factor for the development of productive forces. This is a cardinal principle of Marxism.

As in other places across the country, this irresistible trend of reform has spread through Hebei Province, as well as taking an in-depth development, and this trend of reform is becoming more and more vigorous. This reform has undergone gradual processes of development; from the rural areas to the urban areas, from individual economy to the collective one and to the state-run economy, from small enterprises to large ones, from the few to the many, and from rudimentary to profound development. That is, we first implemented in the rural areas the system of contracted responsibilities on a household basis with payment linked to output. This has gradually developed into the implementation of reform in the urban areas. This also means that a microdevelopment of reform has developed into a comprehensive reform of the economic and management systems. In particular, since the provincial planning conference was held in December last year, the province's pace of reform has quickened. The development has become one in which the rural areas inspire the urban areas, regions inspire departments, enterprises inspire administration, and the masses inspire the leadership. On the other hand, reforms in cities promote reforms in the rural areas, and they will inevitably bring about reforms in the entire realm of the superstructure. This is the most outstanding characteristic of reform in the province, as well as the present state and development trend of the province's reform. All departments and bureaus directly under the provincial authorities have thus far carried out more than 610 items of reform, and various prefectures and cities have carried out more than 1,000 items of reform.

Facts have shown that reform of the economic system has fully mobilized the initiative of the people, and it is there that the key to enlivening the economy in a comprehensive way lies. The initiative of the people is also a key to solving the contradictions and problems in the economic work. We have achieved remarkable results in this respect. The increasingly active rural economy and the large-scale development of commodity production, particularly the emergence of specialized households and specialized markets, have promoted a rapid development in the rural economy, from the self-reliant and semi-self-reliant economy to the commodity economy. This has created vitality in the rural areas. Enterprises have developed their decisionmaking power and have strengthened their vitality and motive power. But this has also brought pressure on the enterprises. They have changed their main focus from output value to economic results, business management, improvement of quality and low production cost. This has improved the competitiveness of products. From January to April this year, the province's budgetary industrial enterprises achieved simultaneous growth in output value, tax and profit delivery, and financial revenue. The financial revenue of the province has experienced rather large growth, increasing by 16.5 percent compared to the same period last year. On circulation channels, the province has upheld the practice of simultaneous growth in the state, collective, and individual economies.

This has broken the monopolistic situation and has cleared the circulation channels, which in turn has promoted circulation of commodities between the urban and rural areas and has enlivened the markets. The mighty torrent of reform has trained and cultivated a large number of reformers, entrepreneurs, and innovative experts, who have become the vanguards for creating a new situation.

II

Reform is a resolution. Once we carry out reform, we shall encounter obstacles, a tortuous road, and struggle. This is an inevitable outcome of the objective law. At present, people take three different attitudes toward reform. First, some people are determined to carry out reform. They have a clear-cut stand, act in a truth-seeking manner, are bold in investigation and innovation, and are imbued with the spirit of struggle. Second, some people take a wait-and-see attitude. They are overcautious, stick to conventions, and are accustomed to the old methods. Third, some people take an attitude of opposition to reform. They criticize or even oppose reform. Obviously, we must support the people who take the first attitude and who resolutely stand in the forefront of reform. We must do painstaking ideological work with people who take the second attitude, and we must make them closely follow the pace of reform. Also, we must resolutely oppose people who take the third attitude.

Although there are only a few people who are determined to carry out reform, they are the vanguards of reform and are pioneers in the four modernizations. They will influence and give impetus to more and more people to throw themselves into the mighty torrent of reform. On the road of reform, they have revolutionary courage and resourcefulness, and they have indomitable courage and demeanor. They fear neither suppression nor difficulties, neither blame nor irony, neither satire nor temporary failure. They are bold in smashing the trammels of "leftist" thinking, in clearing away the obstructive thinking of following the beaten path, in eliminating the opposition caused by force of habit, and in breaking other visible and invisible nets. Such a spirit originates from their absolute devotion to the party and the people; it originates from their strong dedication to, and high sense of responsibility for the socialist modernizations. We must carry forward their indomitable revolutionary spirit and courageous revolutionary work-style. In particular, leads at various levels must stand in the forefront of reform and set examples in carrying out reform. They must enthusiastically cherish, assist, and help the reformers, and make things easy for them. They must work with them to accomplish the great undertaking of reform and to create a new situation in the four modernizations. There are quite a large number of people who take the wait-and-see attitude. This is because they have not liquidated the pernicious "leftist" influence and are profoundly influenced by the old practices and the small producers' thinking. They are politically obtuse, are conservative, always play things safe, stick to the old conventions, and lack a sense of the urgency of the times. In essence, such behavior results from the world outlook of a sluggard or coward. We must assist and educate such people so as to make them understand that reform will certainly be carried out and so that there will be no way out without reform. As we are living in a period of great historical change, in which reform is to be carried out, the emergence and development of new things takes place dramatically and the replacement cycle is getting shorter and shorter. This requires us to overcome difficulties and to actively throw ourselves into the mighty torrent of reform without the least hesitation. A boat sailing against the current must forge ahead or it will be driven back. The mighty torrent of reform does not allow us to stop and wait and see. Instead, we must struggle ahead.

We must assist these comrades to emancipate themselves from the trammels of "leftist" influence so that they can voluntarily "unite" themselves, lay down the burden, and take part in the activities with nothing on their conscience. Once we carry out reform, we should under no circumstances passively wait for others to gain experience. Instead, we must be bold in acting as pioneers in gaining experience. We should attach great importance to and study the advanced experience of others. This is because the experience will help us to take a less tortuous road. However, we must not always transplant and imitate the experience of others, neither must we follow the track of others. Moreover, even though the experience of others is very good, we still have to proceed from reality and solve the problem of popularizing and applying it in line with local conditions. We must under no circumstances copy the experience of others without making any alteration, something which previously has given us a profound lesson. Acting in such a way will only adversely affect our undertaking. Therefore, we must depend on our own efforts, investigation, and creation in any reform.

Historically and overseas, the practice of carrying out reform is done from the upper level to the lower level. There must first be a centralized mold. The reform is then carried out after a government order is promulgated. But our present reform is completely different. There is nothing like a centralized mold at the upper level. We depend on the integration between the upper and the lower levels. On the upper level, we depend on the party line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee and also the strategic goal and focal point of the 12th CPC Congress, both of which have clearly pointed out the direction of reform. On the lower level, we depend on the voluntary actions of the masses and the experience they have gained through practice. Later, we study the situation as a whole and we gradually construct a reform that possesses Chinese characteristics. Though such reform has its processes, we must under no circumstances take it slowly. We must have a strong sense of the urgency of the times. The slogan that "time is money, efficiency is vitality" should be the most important and the common guiding ideology of all places and all enterprises, as well as all comrades who engage in economic work throughout the province. In the modern times, "time is more precious than gold." We should not let a minute be lost but should strive for reform. Just as Marx said, "Only when a society rationally distributes its time can it practice production that satisfies all the demands of the society. Therefore, a systematic distribution of timesaving and laboring time among various production departments is, on the basis of common production, still the principal economic law. It may even reach such a high level that it becomes a law." Of course, we cannot prevent ourselves from failing or from going adrift when we carry out reform racing against time. But there is nothing that we should fear. Once we promptly sum up our experience and promptly make corrections, we can still be successful. If we do not allow ourselves to make mistakes, it will be the same as if we were blocking the road of innovation. So long as we do not become dizzy with success and are not discouraged by failure; so long as we strive to study, practice in a bold way, act indomitably, and continue making progress, there is plenty of room for us to develop. Lenin once said, "We should be adept at studying from the beginning time, and again during any new and extremely difficult undertaking, and start anew whenever we are rebuffed at the beginning. It won't make much difference even if we repeat this 10 times, but we must achieve our goal."

Those people who oppose reform will certainly be in the minority, and they will play the role of hindering or even sabotaging reforms. Some of them have so deeply and protractedly indulged in the "leftist" practice that they now have an ossified way of thinking, and some were rebels during the "Cultural Revolution."

We must seriously criticize these people, solemnly point out their mistakes, assist and urge them to quickly change their attitude, help them rectify their erroneous viewpoint, and make them really understand that reform accords with the general trend of events and the will of the people. We must resolutely remove from office those people who take the leading posts but who refuse to correct mistakes, or who even hinder reform. We are telling these people that the trend of reform is irresistible. This is the time for us to strike out on a new path, otherwise we shall be eliminated by the trend of reform.

Regarding the opposition and sabotage of the "people of three categories," we must eliminate them without any exception, thoroughly root out their pernicious influence, and seriously deal with them.

Our general principle is that we must change the negative factors into positive ones, and we must push the reform forward by mobilizing all initiative and organizing the enormous and powerful army of reformers.

III

What is the province's focal point of reform at present? In what areas must we make major breakthroughs so as to quicken the economic development of Hebei? These are the most important questions that the people throughout the province are thinking of and are concerned with. Judging from the actual conditions in the province, we have made a strategic breakthrough in the rural reform. The rural areas have undergone an earth-shaking change, and the outcome of reform far exceeds all our expectations. In the light of the implementation of the system of contracted responsibilities with payment linked to output in the rural areas, commodity production in the rural areas is thriving, specialized households as well as other forms of economically integrated complexes are emerging, and town industry is emerging.

Some peasants have begun leaving agriculture and striking out on the new path that aims to make the peasants prosper at an earlier time. Rural reform is developing intensively and extensively. The large development of rural commodity economy will inevitably urge a rapid reform of economic systems in the urban areas so as to conform to and be geared to the needs of commodity production development in the rural areas. This thus forms a motive power which promotes reform in the urban areas. At present, the urban reform has already been started and the trend is good. The reform has developed from the expansion of enterprises' decisionmaking power to the implementation of various forms of responsibility systems. We have carried out the first stage of reform of substituting taxes for delivery of profits among state enterprises. Also, we have kept the commercial circulation channels clear, have advocated the "three functions" among the supply and marketing cooperatives, have developed the collective and individual economies, have enlivened the small enterprises run by the state, and have promoted progress in science and technology. In the course of reform, we have initially discovered some feasible methods. However, such urban reform is still a partial and probing one that proceeds at a slow pace. In other words, the urban reform is far inferior to the rural one. Therefore, we must apply the successful experience of the rural reform to actively promoting reform in the urban areas. We must strive to create a new situation in the urban reform, so as to make both urban and rural areas stride forward and so as to invigorate Hebei. This is the point where the province's present focal point of reform lies.

The gist of making a major breakthrough in the urban reform is to streamline the organizational structure, decentralizing the decisionmaking power and "untying" the lower level. We must enliven the enterprises and thoroughly put an end to the practice of treating every enterprise and each worker in the same way, regardless of their profitability and productivity.

We must handle well the distribution relations between the state and enterprises, and we must put an end to the practice of enterprises "eating from the same big pot" of the state. We must mobilize as much as possible the initiative of the enterprises and the workers and further liberate the productive forces. When we handle the relations between the state and enterprises, we should substitute taxes for delivery of profits. That is, we should develop gradually from the stage of coexistence of taxes and profit delivery to the complete replacement of profit delivery by taxes. Also, we should handle well the internal relations of enterprises by implementing various forms of the economic system of contracted responsibilities. Therefore, we must adhere to the party's ideological line of seeking truth from facts and proceeding from reality. We must grasp firmly the focal point and make breakthroughs. We must focus our work on streamlining the organizational structure -- decentralizing the decisionmaking power, "untying" the lower level, and enlivening the enterprises. We must start with emphasizing "the responsibilities, rights, and interests." We must continue to expand the decisionmaking power of enterprises and focus first on enlivening the collective enterprises, then on the small enterprises run by the state, and then on enlivening loss-incurring enterprises as well as those on the brink of suffering losses. We must act boldly and with leadership when decentralizing the due rights of enterprises in the areas of business planning, marketing, fixing prices, selecting goods and materials, utilizing funds, handling assets, setting up an organization managing personnel, appointing or removing a cadre, fixing wages and giving bonuses, and cooperation. When "untying" the enterprises, we must "untie" them from rules and regulations that are irrational in these respects. We must implement, within the enterprises, various forms of economic responsibility systems, break away from the practice of egalitarianism, set no maximum limit to bonuses given, allow the existence of differences in wages, and advocate the practice of more pay for more work. It must be particularly stressed here that we must, in our urban reform, probe various patterns and carry out reform in a diversified, rather than indiscriminate way. We must be bold in making innovation and in creating a new socialist situation. We must let "a hundred flowers blossom in the flower garden." It must be understood that urban reform develops by undergoing a process of comparison with and struggling against the obsolete things. Only if there are various patterns and diversified forms can we make comparisons or judgments. Only through judgment can we develop our work, constantly sum up our experience, gradually perfect and improve the reform, and ultimately "reach the same goal by different routes," creating socialism that possesses Chinese characteristics. Only by so doing can we stride forward in urban reform and operate from a strategically advantageous position with irresistible force. Only thus can we really turn cities into production, circulation, financial, scientific and technological, cultural, educational and information centers. Only thus can we make the cities into centers that will gradually form an open economic network -- including various city types, scales, and development levels -- that the economy of Hebei will be rapidly developed.

The economic reform of cities involves many departments and many sectors. Since the obsolete conventions are such tight trammels, we will find it difficult to enliven the economy by just relying on reform in a few departments and a few sectors. This is also the other factor which has created a more complicated and difficult situation for us than that in the rural areas. At present, some departments in the province have anticipated the reform by adopting some methods and measures, but some hesitate to take action, adopt ineffective measures, or even take a wait-and-see attitude. Therefore, various departments and trades must uphold the practice of simultaneous reform, support each other in carrying out reform, and form a "small but complete system" of reform when carrying out economic system reform. We must firmly establish such a concept since it is a matter of overall concept.

As long as a practice helps us develop productive forces, enliven the economy, increase financial revenue, and make people get rich sooner, we should carry it out in a bold and resolute way. We should get rid of the obsolete conventions and establish the new ones. Under no circumstances must we carry out reform in one department while allowing another department to remain unchanged or to even hinder the reform as well as the overall situation. We must eliminate the practice of imposing restrictions among departments. In particular, comprehensive departments -- such as those in charge of financial affairs, taxes, planning, price fixing, banking, and labor and personnel affairs -- must closely keep pace with the progress of reform. By starting with themselves, they should give the "green light" to the implementation of reform. Under the present circumstances in which the state has not yet carried out a large-scale reform in the price and wage systems, we should also adopt some flexible measures. For example, under the prerequisite of maintaining the basic stability of market prices, we should allow the price of some products that are not vital to the national economy and the people's livelihood to float; allow price difference in some products in light of their quality, the differences between the rural and urban areas, and the seasonal changes; and allow the enterprises to adopt various wage systems in connection with different situations. We should also allow them, in accordance with relevant stipulations of the state, to carry out wage reform at their own expense. The departments concerned must actively carry out investigation and work out new methods so as to improve the vitality of the enterprises and promote the development of the economy.

The key to accomplishing a successful socialist modernization rests with the practice of selecting and promoting in a bold way qualified scientific, technological, and economic management personnel who are imbued with the spirit of reform. In modern times all economic and technological competitions are, in the final analysis, competitions for qualified personnel and intelligence. Proceeding from this point of view, to make a breakthrough in the reform is to make a breakthrough in the utilization of intellectual resources and qualified personnel, which is a strategic issue. But this is precisely the weak point of the province. We fall behind others in the area of developing intellectual resources and training qualified personnel. The number of intellectuals is small. Some of them are even inappropriately utilized, while the phenomenon of letting them live in idleness is very serious. Some departments prefer to lock the qualified personnel into "safe boxes" rather than use them. It must be understood that our reform depends on insight, intelligence, wisdom and boldness in investigation. Therefore, we must possess strategic foresight; spare no effort in developing intellectual resources and training qualified personnel; spare no effort in reforming the scientific and technological systems; liberate the intellectuals from the present system, which is solely operated by the state and which confines them by its nature; resolutely and determinedly promote as quickly as possible to various leading posts or various technological posts in enterprises, those qualified scientific, technological, and economic management personnel who are intelligent and wise, can handle problems independently, have keen insight and have made contributions. Also, we must make full use of both manpower and materiel. We must break with the system of being owned by the departments, allow rational mobility of qualified personnel, and put an end to excessively rigid control over work in this respect. We must change the concept that knowledge is worth nothing, advocate the practice of making contracts for technological projects and of paid technological transfer, and really pay people according to the amount of work done. We must also grasp firmly the policy of opening to the outside world; we must spare no effort in importing technology, qualified personnel, capital, and advanced equipment and experience; and we must make these things serve the province.

Of these aspects, the most important is the importation of technology and qualified personnel, which is necessary in order for us to achieve our goal of doubling output value. As long as we are able to do this, we can accomplish the great undertaking of reform. Thus, people who are ignorant, incompetent and inert, and who do not serve the people after having eaten the people's rice will hardly be able to make a living and will be eliminated by the mighty torrent of reform. This is the inevitable outcome of history.

The economic system reform will eventually be reflected throughout the superstructure and will directly involve a structural reform and change of work style of party and government organs. A host of facts have shown that many reforms are impractical. This is often because of the administrative systems of respective leading departments. The present administrative system simply cannot conform to the new situation of reform. This is because the scope of administration is too wide; the system is too rigid; and the regions and departments are separated, emphasize local interests, establish barriers level upon level, constantly bicker over trifles, and pass the buck. Such a situation has already affected the progress of reforming the economic system. In order to reform the economic system, we must actively reform the relations of production which do not conform to the development of productive forces and the superstructure which does not conform to the economic foundation. Also, we must reform all backward ways of management, working, and thinking. This requires us to start with the provincial government; that is, to "untie" the lower level, streamline the organizational structure, and decentralize the decisionmaking power. We must expand the functions and powers of departments and bureaus, which must handle and make decisions on their problems independently while they are directly responsible to the provincial government. We must continue to readjust the irrational organizational setup. We must establish centers for developing technology, for structural reform, for developing qualified personnel and intelligence, and for economic information. We must actively, steadily, and gradually turn the administrative structures of the specialized departments into economic entities, and we must develop the software industry. We must streamline the administrative and management organizations and put an end to the situation of mixing the government administration with enterprise management. We must endeavor to overcome the malpractice of leading economic work by means of administrative measures and we must gradually convert it into a practice of leading economic work by use of economic means. The administrative cadres of the organizations must switch their orientation to economic work and serve the economy. We must retrench the administrative staff but increase the number of service staff in enterprises. We must break with the practice of separating the regions and departments from the rural and urban areas, and must gradually establish rational economic organizations. Except for a few core enterprises that will be administered by the state or provincial authorities, the departments and bureaus at provincial level must decentralize administrative power in a planned and prepared way -- by stages and in groups -- down to cities where other enterprises are located so the cities will bring into play the role of key cities. When the city authorities administer the economy they should administer planning, coordination, services, guidance, and supervision but should not administer supply and marketing of products, manpower, or financial and material resources of enterprises. The authorities must avoid by all means taking back the power which has just been decentralized to the enterprises. We must separate government administration from party management and gradually carry out the responsibility system for factory heads. We must decentralize the power down to the factory heads so as to strengthen the unified leadership. Only thus can we administer well the enterprises, improve the quality of enterprises, strengthen their vitality, and make progress in production.

The bureaucratic work style of leading organizations also hinders the smooth progress of reform.

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Though we carried out structural reform and changed our work style last year, the change was not a great one. We had too many conferences and too many documents. The phenomena of dilatoriness, passing the buck, and not clearly defining duties still exists. Hence, we shall face similar difficulties when carrying out reform unless such phenomena are eliminated. Since some leading comrades are burdened with a "tremendous amount of documents and conferences," they cannot concentrate their efforts on the great cause of reform or supervise the overall economic situation. Thus, they cannot break away from routinism; spend more time on going deep into the realities of life; or go to the first line of production to investigate, to solve problems on the spot, and to sum up the masses' new experience in carrying out reform. At the same time, we must establish a strong and powerful contingent of "think tanks," which will suggest ways and means for carrying out reform, so as to promote unceasing progress in economic structural reform.

"The Great Wall will never fall; the long Huang He will never cease to flow." Our reform will be as firm as the Great Wall and will surge forward like the waters of the Huang He. Every one of us must stand in the forefront of this mighty torrent of reform and dramatically do the very best work. We must advance forever and continue to make progress!

ZHOU HUI HEARS NEI MONGGOL EDUCATION REPORT

SK140431 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 13 Jul 84

[Text] On the afternoon of 12 July, at the invitation of the regional CPC Committee, Yu Guangyuan, member of the Advisory Commission of the CPC Central Committee and China's noted economist, gave an academic report titled "Reformed Education and Educational Reform" to the cadres of regional organs and the comrades attending the regional pastoral work conference. Attending the report meeting were Comrades Zhou Hui, Cai Ying, Wu En, Li Xiangyi, Tian Congming and Xu Lingrenf. Comrade (Lin Weiran) presided over the meeting.

Comrade Yu Guangyuan said in his report: Implementation of reform calls for efforts to enhance the people's understanding of reform. Obstacles to the current reform, to a fairly great extent, come from outdated ideas and concepts and a lack of understanding of reform. Therefore, to remove the obstacles, we should enhance the people's understanding of reform.

Comrade Yu Guangyuan said: Reformed education means profound Marxist education, education which combines the general principles of Marxism with China's specific reality, and education which takes the road of Chinese-style socialism. Marxism is a science in promoting social development. Therefore, reformed education, in essence, is Marxist education. Reformed education will help the people to awake anew: that is, to understand anew past things and to clarify what is recommendable and what is not. Reformed education should be carried out universally and protractedly. We should make the people understand that only through reform can the superiority of the socialist system be fully developed, can the people lead a happy life, and can our country achieve a highly developed democracy.

On educational reform, Comrade Yu Guangyuan said: The Marxist education, cadre education and school education that we are carrying out are not completely compatible with reform. There are still many outmoded contents, unrealistic tendencies, and marks left by the leftist influence. We should once again study and examine the content and methods of our education, reforming those which do not conform to the requirements of reform, because our work will not develop without reform.

FURTHER REPORT ON NEI MONGGOL WORK CONFERENCE

Zhou Hui on Pastoral Work

SK140201 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 13 Jul 84

[Text] This morning, regional party and government leaders, including Zhou Hui and Bu He, called together responsible comrades of the league and city who attended the regional pastoral work conference to talk about and discuss our region's long-term plan for developing pastoral work.

Comrade Tian Congming, Standing Committee member of the regional CPC Committee and secretary general, first introduced the situation of the regional pastoral work conference. Leading comrades of the regional party and government and responsible comrades of the league and city drew on collective wisdom, absorbed all useful ideas, and enthusiastically discussed the long-term plan and fighting goal of developing pastoral work. They called for a series of reform measures to develop the economy in pastoral areas to meet the needs of a modernized animal husbandry.

Comrade Zhou Hui pointed out: In order to rapidly develop the economy in pastoral areas, we must further emancipate our minds, eliminate leftist influence, and overcome flabbiness. Some localities and departments still have conservative ideas and are in a state of flabbiness, thus failing to conscientiously eliminate the leftist influence. They still use old ideas, methods, work style and viewpoints to treat the new situation. They turn a blind eye to the initiative of the broad masses of the people.

Comrade Zhou Hui emphatically said: It is of great importance that we eliminate the leftist influence and overcome flabbiness. We cannot treat the new situation with past viewpoints. Only by conscientiously eliminating leftist influence can we get rid of conservative ideas and flabbiness and be full of vigor in creating a new situation.

Comrade Zhou Hui said: The issue on personnel affairs is of great significance in creating a new situation. All undertakings will be accomplished and the income and livelihood of the large number of herdsmen will be greatly improved only when cadres at all levels and specialized personnel broaden and emancipate their minds; are much interested in pastoral modernization and think of opinions and ways to develop pastoral undertakings; and the structure of talented persons is reformed.

Conference Ends

SK150250 Hohhot Nei Monggol Regional Service in Mandarin 2330 GMT 14 Jul 84

[Excerpts] After an 11-day session, the regional pastoral work conference successfully concluded on the morning of 14 July. Attending the closing ceremony were some regional party and government leaders, including Zhou Hui and Bu He. Comrade Zhou Hui delivered an important speech at the conference. Comrade Bai Junqing gave a summary speech at the conference. Comrade Tian Congming presided over the closing ceremony.

After fully affirming the conference, Comrade Zhou Hui said that, at present, our pastoral areas are entering into a period of great reform. The conference called on comrades of the regional, league, city, banner, and county leading organs to immediately go deep among grassroots units and the masses and to inspect animals, poultry, and yurts so as to understand their new situation and help solve new problems. Equal concern must be shown about their production and livelihood.

Comrade Zhou Hui said: The current situation in pastoral areas is very good. The economic situation is good. No problems and contradictions exist in animal husbandry. We must stay sober-minded. [words indistinct]

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In order to specifically understand the situation, we must find out reasons and methods, sum up experience, and help solve difficulties so as to become rich rapidly.

With regard to implementing the double contract system, Comrade Zhou Hui further gave his opinion. He said: The broad masses of cadres and the people conscientiously support the system. Through summing up our positive and negative experiences over the past 30 years, we worked out the system of taking responsibility for raising animals and developing grasslands on a contract basis. This is a [words indistinct] reform in pastoral areas. Reform has a bright and colorful future. Consolidating the great undertakings of these pastoral areas is [words indistinct].

Zhou Hui said: At present, we have various specific forms of the system of raising animals and developing grasslands on a contract basis. [Words indistinct], we cannot demand rigid uniformity to develop the economy, nor develop the economy in a hurried manner. Only when we fully respect the will of the masses can we handle affairs well.

Comrade Zhou Hui specially pointed out that we should deeply understand that the basic task in the socialist stage is to develop the productive force. Superiority in the socialist stage requires development of the productive force. Superiority in socialism requires improvement of the livelihood of the people in a step-by-step manner. At the same time, our current world has been opened to the outside world. It is impractical to manage the economy by implementing a closed-door policy. [words indistinct] We should open up to the outside world in line with our actual conditions. Enthusiastically establishing cooperation ties in all fields is of great significance to developing our region's economy in the future. Never must we neglect it.

TIANJIN DIVING COMPANY TO SERVICE OIL RIGS

OWI41807 Beijing XINHUA in English 1607 QMT 14 Jul 84

[Text] Tianjin, July 14 (XINHUA) -- A diving engineering service company opened here Friday to provide underwater service to offshore oil drilling vessels in the Bohai Sea.

The Tianjin Diving Engineering Company Ltd is a state-owned independent enterprise and its business ranges from inspection, repairing and cleaning of the underwater drilling rigs to the laying and repairing of pipes on the sea bed.

According to an earlier news report, a helicopter service company had been set up in Tianjin to transport personnel and equipment of the Japan-China Oil Development Corporation working in the offshore oilfield in the area.

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P R C R E G I O N A L A F F A I R S
NORTHWEST REGION

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QINGHAI ENCOURAGES SPECIALIZED HOUSEHOLDS

HK130857 Xining Qinghai Provincial Service in Mandarin 1100 GMT 12 Jul 84

[Text] According to QINGHAI RIBAO, on the afternoon of 12 July, Comrade Zhao Haifeng, secretary of the provincial CPC Committee, visited four specialized households in Gangcha County's (Yicheulan and Shaheliuhe) Townships. While a guest in the homes of the four specialized households, Comrade Zhao Haifeng cordially engaged in small talk with his hosts, inquired of them about details of matters relating to their efforts to get rich through hard work, heeded their opinions and suggestions, and encouraged them to boldly develop commodity production and to take the lead and set an example for the peasants and herdsmen in becoming well-off before others.

After hearing the briefing given by (Wu Shengkui), a peasant engaged in a specialized production line in (Yicheulan) Township's (Shangchafengma) Village, Comrade Zhao Haifeng said: It is necessary to expand the scale of your cattle trade. If you lack capital, you can apply for bank loans for this purpose. Fattening cows and sheep is a good way to develop commodity production and to attain better economic results. It is necessary to vigorously encourage peasants and herdsmen to make this work a success, to turn the method of relying exclusively on grassland to one of relying on feed, to expand sales, and to take initiative in signing purchase and marketing contracts with residents and other counties. I support you in engaging in long-distance transportation of goods for sale, and if you can expand your business scope, it will be even better.

(Han Cankui), who engages in transportation of goods for sale, briefed Comrade Zhao Haifeng on how he has traveled long distances in Xizang to sell highland barley in the past year, and Zhao approved his efforts. Comrade Zhao Haifeng encouraged (Han Cankui) to further emancipate his mind and to do what he thought profitable. Comrade Zhao Haifeng said: Since production has been expanded and more goods produced, you must help other people find ways to sell their products and encourage them not to keep their cows and sheep as property and refuse to sell them. He also said: If you can travel long distances to sell their products at an early date and earn 30,000 yuan from the business, it will be most encouraging and help you a lot. Two years from now I will come to visit you to see whether you are living a new life under socialism.

When he learned that (Ma Chengxin), of a specialized household in (Chongshan Village), was planning to buy a bus to engage in a transport service, Comrade Zhao Haifeng immediately expressed his support for the plan. He said: Those who have great ability are allowed to become well-off before others. He encouraged (Ma Chengxin) to be bold in carrying out his business activities by giving full play to his ability, not to be content with what he had achieved, and to gradually utilize economic combinations, so as to take a step further to raise the operational level, and to genuinely take the road of getting rich through hard work.

Comrade Zhao Haifeng also warmly encouraged (Wang Zhenning), of a household specializing in breeding martens, to give full play to his special skills and to make marten breeding a success so as to become well off as quickly as possible.

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WANG ENMAO ATTENDS URUMQI PARTY FOR SINGLES

OW151931 Beijing XINHUA Domestic Service in Chinese 1653 GMT 12 Jul 84

[By reporter Li Dongyan]

[Text] Urumqi, 12 Jul (XINHUA) -- Wang Enmao, first secretary of the Xinjiang Uyghur Autonomous Regional CPC Committee, joyfully attended a party in Urumqi yesterday for older unmarried youths. He distributed red name and address cards and hoped that those attending the party would get married at an early date.

Last night, the Xinjiang People's Broadcasting Station, the Urumqi Municipal Women's Federation, and the municipal CYL Committee jointly sponsored a party for unmarried older youths on the top floor of the Baihuacun Restaurant in Urumqi City. Both men and women cheerfully chatted amid light music in the colorfully decorated and brightly illuminated room. Some talked in a low voice by the railings, while others exchanged cards with the names and addresses. The "go-between's" from various units were also busy introducing people at the party.

It is understood that there are more than 1,500 unmarried people of older age in various units in Urumqi City. Among the 150 people who attended the party, there are cadres, teachers, medical workers, clerks, actors and actresses. They have unanimously expressed their appreciation for the solicitude shown them by the party and the departments about their need to marry.

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C H I N A
TAIWAN

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NEW AMERICAN INSTITUTE DIRECTOR THAYER WELCOMED

OW151349 Taipei International Service in English 0100 GMT 14 Jul 84

[Station commentary]

[Text] The United States has its new No 1 representative in the Republic of China. He is Harry E.T. Thayer, a veteran of long service in the State Department and ambassador to Singapore from October 1980 to June 1984. His official position is director of the Taipei Office of the American Institute in Taiwan [AIT], established by the United States in its Taiwan Relations Act.

Mr Thayer, who arrived on July 10, pledged himself to do everything possible to promote American trade, especially exports to Taiwan and U.S. investments here. He expressed great pleasure to return to Taipei after an absence of 18 years. He was graduated from Yale University and entered the State Department in 1956. Besides Singapore, he served in Hong Kong, Peking, and Taipei. He was also a member of the U.S. delegation to the 26th, 27th and 28th Sessions of the United Nations General Assembly.

Although Mr Thayer resigned from the State Department to take his new post, he is equivalent of an ambassador and succeeds James R. Lilley. The appointment of the high-ranking Harry Thayer is renewed evidence of the importance that the United States attaches to substantive relations with the Republic of China. He said that commercial, cultural and other ties between Free China and the United States will be further strengthened under the Reagan administration.

The American Institute in Taiwan was established by the United States in 1979 after American recognition of the Chinese Communist regime. It is paralleled in Washington by the Republic of China's Coordination Council for North American Affairs [CCNAA], headed by Fredrick F. Chien, former vice minister of foreign affairs. Although AIT personnel officially resign from the State Department upon assuming services in Taipei, they actually serve as quasi-diplomats. Consulate services are performed by both Taipei and Washington offices and friendly relations sponsored; thousands of visas are processed annually. Trade needs served by AIT and CCNAA are larger and more elaborate than those between the United States and the Chinese Communist regime on the mainland. The Republic of China on Taiwan has moved into the sixth place among trade partners of the United States. Many ranking American companies are represented among Taiwan manufacturers.

Mr Thayer will head AIT contributions to the growth of these commercial and other increasing relationships. The Taiwan Relations Act also pledges the United States to help defend the freedom of the people of Taiwan. In the event of a threat to this freedom, AIT could be expected to play a major role in the U.S. representation on the island and any steps to help with Taiwan's defense. Because the AIT is unofficial, the government does not assume a public position to welcome Mr Thayer. But the press of Free China express the feelings of officials and common people in bidding him a happy return to Taipei after so many years of absence.

It was pointed out that Singapore is one of the most important U.S. diplomatic posts in Asia. The fact that the United States has chosen a former ambassador to that country as head of the AIT demonstrated the high consideration Washington attaches to the head of its Taipei mission.

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CHINA
TAIWAN

CHINA POST EDITORIAL REFUTES PRC ACCUSATION

OW120831 Taipei CHINA POST in English 9 Jul 84 p 4

[Editorial: "Peking's False Accusations"]

[Text] The Chinese Communist regime never stops its maneuvers against the Republic of China. Such Communist activities are intensified when Peking is facing a crisis or brewing a despicable plot against Free China.

Recently the Communists have been up to something again. On April 22, when U.S. President Ronald Reagan was about to arrive on the mainland for a visit, Peking accused ROC troops on Matsu, an island off the mainland coast, of firing at a Japanese commercial ship heading for Amoy. On July 12, when Peking's "Premier" Chao Tzu-yang was visiting Europe and its "Defense Minister" Chang Ai-ping was in the United States trying to persuade Washington to sell Peking certain military goods, the Communists said ROC troops in Kinmen fired at a Communist sailboat. On June 19, Peking alleged that the troops in Kinmen shelled the Communist-occupied island of Chiaoyu.

The ROC Ministry of National Defense has declared that all these accusations were made-up stories designed to create the impression that Free China is intransigent and war like. The fact is that the Communists have been molesting the ROC's frontline with sailboats and fishing boats in an attempt to provoke PRC troops into opening fire.

That kind of Communist ruse may deceive foreigners, particularly people in the Western world, though it did not surprise the people of Free China.

Every Communist regime is basically a belligerent group which depends upon suppression, oppression, trickery, and violence for survival.

The Chinese Communist regime has viewed the ROC on Taiwan as a pain in the neck and its deadliest enemy. This is because Free China, with its prosperity and democracy, is a beacon of hope for the people under Peking's rule.

And so Peking will do whatever it can to destroy the ROC.

This is evidenced by the fact that both Teng Hsiao-ping and Chao Tzu-yang have said over and over again that Peking does not rule out the use of force against Taiwan. However, Peking has been unable to launch a military invasion of Taiwan due to Free China's strong defenses. The Communists know that they must weaken the ROC's military strength and cut back the support it receives from free nations.

Peking is, therefore, trying to tarnish the favorable impression the Americans, particularly the Reagan administration, have of Free China. The baseless accusations it has made against the ROC are partly intended to carry out that scheme.

On top of that, the Peking regime is facing unprecedented crises resulting from conflicts among Chinese Communist Party factions and the mainland people's yearning for life in Taiwan. The crises are forcing Peking's leaders to create tension in the Taiwan Strait, in the hope that it would divert the growing discontent about Peking.

The government and people of the ROC would do well to watch the development of this situation keenly. The use of force by Peking against this island bastion is always a possibility -- especially after the Communists run out of ruses and are desperate.

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